

**UK Aid Policy and Practice 1974-90:  
An Analysis of the Poverty-Focus, Gender-  
Consciousness and Environmental Sensitivity  
of British Official Aid**

**Thesis submitted in accordance with the requirements of the  
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by Christopher Charles Erswell MA**

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## **Abstract**

### **UK Aid Policy and Practice 1974-90: An Analysis of the Poverty-Focus, Gender-Consciousness and Environmental Sensitivity of British Official Aid**

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This thesis provides a detailed analysis of UK Aid policy over the period 1974-90. Its focus is primarily upon the extent to which official aid was concerned with poverty alleviation. This theme permitted a comparison to be made between the records of the Labour administration of 1974-79 and the Conservative administration of 1979-90. A quantitative comparison is made of the two aid programmes.

The philosophical, moral and ideological aspects of the British aid programme are explored. Two themes in particular are studied in depth: aid and gender and aid and the environment.

The influence of lobby groups is considered, including those representing political, commercial, gender, environmental and "human development" interests. The implications of conditionality are also considered. Assessment is made of the proportion of ODA projects which can be said to be relevant to women using unpublished ODA documents. An analysis is also made of internal, unpublished ODA "flagship" projects documents, aimed at the poorest, women and the environment. The results of this investigation indicate that official aid during the period under scrutiny was characterised by a continuity dictated by the exigencies of the export lobby, the Department of Trade and Industry, the Treasury and the Foreign Office. The commercial and political influences were already evident under Labour. A quantitative increase in aid was negotiated in return for the introduction of the Aid for Trade Provision. This significantly increased the commercial influence on aid, resulting in a shift away from the poorest countries and the sectors most critical to the poorest. It also prepared the ground for the greater emphasis on, and expansion of, commercial uses of aid under the Thatcher Government. Similarly, the political continuity between Labour and Conservative periods of office was typified by the support for the Somoza regime by the Labour Government and the axing of aid to the Sandinista regime by the Conservatives.

A sectoral analysis of British aid reveals a heavy bias towards cash crops and a lack of emphasis on sub-sectors critical to basic needs and human development. Very few projects can be said to be relevant to women in a conscious, pre-planned way. The very small number of poverty-focussed, gender-conscious or environmentally-sensitive projects are unlikely to ever account for more than a tiny fraction of the aid budget. It is argued that the conditionality attached to an increasing amount of aid is a mechanism for imposing a model of economic development in the interest of the donor, making it advisable for recipients to avoid using aid until such time as conditionality can be eliminated. Conditional aid should be abandoned by Northern agencies, but, given that this is unlikely to happen in the foreseeable future, it is necessary to support attempts to reform aid in order to eliminate as many strings as possible in the medium term.

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## Preface

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 Joan Lestor MP, former Labour Spokesperson on Overseas Development  
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I would like to acknowledge the extensive use in this thesis of statistical information taken either from the ODA's *British Aid Statistics* or from the ODA Statistics Department, which was subsequently presented in tabulated form in other writers' publications. Such tables are taken from:

Clark, G and Toye, J. "The Aid and Trade Provision: Origins and Dimensions and Possible Reforms". *Development Policy Review*, Vol 4, 1986, pp291-313.

Woodroffe, J. *British Overseas 1975-90*. Christian Aid, 1992.

All-Party Parliamentary Group on Overseas Development (APGOOD). Report on UK Aid to African Agriculture.

In the case of the latter two publications, figures have been converted into constant prices and new tables created from them in some cases. The authors of these publications, obviously, are not responsible for any possible errors during this conversion of prices.

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## List of Abbreviations

APGOOD	All Party Group on Overseas Aid (House of Commons)
ATP	Aid for Trade Provision
BTAM	British Tropical Agricultural Mission
CAAT	Campaign Against the Arms Trade
CDC	Commonwealth Development Corporation
DAC	Development Assistance Committee (OECD)
DTI	Department of Trade and Industry
EDF	European Development Fund
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IGBA	Independent Group on British Aid
IMF	International Monetary Fund
IRDP	Integrated Rural Development Project
NAWO	National Alliance of Women's Organisations
NGO	Non-Governmental Organisation
ODA	Overseas Development Administration
oda	official development assistance
ODI	Overseas Development Institute
ODM	Ministry of Overseas Development
OECD	Organisation for European Development and Cooperation
oof	other official flows
PAMSCAD	Programme of Action to Mitigate the Social Costs of Adjustment
RNR	Renewable Natural Resources
SCS	Social and Community Services
sda	social development adviser (ODA)
TCTP	Technical Cooperation Training Programme
TRAP	Tropical Rainforests Action Plan
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Organisation
WDM	World Development Movement
WID	Women In Development
WoW	War on Want
WRI	World Resources Institute

# Chapter 1

## Introduction: Objectives, Methodology and Literature

### Objectives and Methodology

The initial intention behind this thesis was to enquire into and assess the extent to which British official aid policy and practice was poverty-focussed and whether it actually helped or harmed the poorest communities of the Third World during the period 1974-90. This was the primary objective of the project. Chapter 2 explores various frameworks to help in this inquiry. Chapter 3 examines aid policy under the 1974-79 Labour Government, and Chapter 4 aid policy under the 1979-90 Conservative Government. The existence of statistics covering the period also enable, as a very much more subordinate and secondary priority, a quantitative comparison of the records of the Labour and Conservative governments on the issue of poverty focus. This is undertaken in Chapter 5. However, this was not the primary objective of the thesis. Furthermore, in the course of researching material for the chapters on Labour and Conservative policy, it became evident that it was impossible to answer the question "How poverty focussed was British aid?" without examining in some considerable detail the question of gender and aid, and also the inter-relationship between aid, poverty and the environment. Women are a massively disadvantaged majority of the Third World populations. It was necessary to assess how the ODA approached aid and gender, since women were frequently poorer than men within their communities, and since a whole number of special measures were necessary to overcome obstacles in the way of assisting them. For example, in many Third World communities, it is forbidden for women to speak to men outside the family. The importance of having female field staff implementing ODA projects became apparent in the light of this. It was necessary to assess the ODA's consciousness of gender problems before any definitive answer could be given on the question of poverty focus.

Similarly, an assessment of the sensitivity of the ODA to environmental issues emerged as a key issue in determining the question of poverty focus. The implications of aid projects in relation to the environment are crucial since, for example, poor rural communities live and work in the local agricultural environment. Changes as a result of "development" can have disastrous results on their often precarious economic situation.

The two chapters (6 and 7) on gender and the environment were really an extension of the chapter on the Thatcher Government's aid policies.

Moreover, it became apparent that it was not really possible to compare the Labour and Conservative governments' records on these two questions. As Judith Hart acknowledged during an interview for this thesis, gender was not on the agenda of the ODA at all during the 1970s. While the environment may have had slightly more of a profile, it was nowhere near as critical a question to the ODA as it is today. This is largely owing to the fact that both of these questions have only really become important in society as a whole during the course of the 1980s, when lobby groups became more effective and media attention was focussed on them to a significant extent. As is pointed out below, the perception of environmental issues changed from the 1970s to the 1980s. Under Labour the ODA prioritised urban environmental issues: housing, water supply etc. In the 1980s, as global warming and forest destruction became the focus of attention, the ODA, under the Conservatives, was obliged to shift its focus also to these new global environmental issues. While even the initial comparison on general poverty questions was very much a subordinate objective of the thesis, it was impossible to compare the records of the Labour and Conservative governments on gender and environment. It would not be fair because a

change of consciousness in society as a whole took place during the period 1974-90. The governments were not responsible for this change. Rather, their records mirrored the current level (or focus) of consciousness in society generally. In any case, statistics were not available on these two issues over the whole period, making a quantitative comparison impossible.

The primary objective of the research, therefore, was to illuminate the extent to which the policies of both governments addressed themselves adequately to the needs of the very poorest communities of the Third World and the extent to which their practice lived up to their rhetoric. The comparison was necessarily limited to the poverty focus of the aid programme and was not a major consideration in this exercise, but a secondary, subordinate question. Since the issues of gender and environment only became a part of the rhetoric of the ODA in the 1980s, a comparison of Labour and Conservative records on these questions was neither fair (in the light of the absence of public awareness of these issues in society at large in the 1970s) or feasible (in the absence of statistics).

### **Methodology**

The methodology employed in this project consisted of a variety of approaches to gathering information. These included:

#### **1) Interviews with key actors**

- a) Two former Ministers of Overseas Development, Timothy Raison and Judith Hart. The latter interview took place several months before she died and represents one of her last statements on her period of office.
- b) Party spokespeople/specialists on overseas development: Joan Lestor and Jim Lestor. These gave some insight into the dynamics of Parliamentary activity on overseas development from the point of view of MPs interested in this issue.
- c) ODA civil servants. These provided useful information on how the civil service bureaucracy saw things and how they implemented policy. The interviews with social development advisers and natural resources advisers were particularly valuable in shedding light on developments in relation to poverty focus, gender and the environment.
- d) Consultants to the ODA: a number of interviews with consultants to ODA projects based at the Overseas Development Institute (ODI), which has a close working relationship with the ODA, gave some useful insights into problems with specific ODA projects in the forestry sub-sector.
- e) Lobbyists: these included a representative of the Women's Lobby, a freelance writer on environmental issues and British aid, as well as academics active in lobby groups.

#### **2) Analysis of ODA statistics over the period 1974-90.**

In addition to published statistics, access was gained to internal printouts of sub-sectors within project aid, programme aid and technical cooperation. This enabled an analysis of the priority given to those sub-sectors most critical to the poorest to be undertaken. A set of annual tables of British aid figures (taken from ODA statistics) published by Christian Aid also proved useful in this task. As far as possible, the policy adopted by Christian Aid of converting figures into constant prices was extended to other tables for the sake of consistency. An analysis of the two sectors which most impinge on the poorest – agriculture and social and community services – was undertaken, with the aid of the internal ODA printout, *Project Aid by Sector: Allocation and Expenditure*.

**3) Analysis of Project Documents and Reports.**

A number of “flagship” project documents were made available by the ODA in the key areas of poverty focus, gender and the environment. This enabled an estimation of the progress made by the ODA in these areas. An internal report on gender issues, however, revealed that gender did not figure in project aid generally. Correspondence between the ODA and an NGO also revealed that social development advisers are unable to monitor adequately the vast majority of aid projects. ODA Evaluation Reports were also a useful source of information.

**4) Analysis of Government Publications and Parliamentary Papers on Aid and Development.**

The ODA policy documents on Aid also provided an obviously crucial source of information. These included the policy documents on the environment and women, as well as White Papers on general development. *Hansard* was useful for following the relatively infrequent Parliamentary debates on aid and development. Reports of the Foreign Affairs Committee and the National Audit Office also shed considerable light on the efforts of Parliament to monitor government policy and practice on aid questions. The House of Commons Information service was particularly helpful in providing computer printouts of Parliamentary and Government documents.

**5) Analysis of Reports of Lobby Groups.**

A wide variety of development, gender and environmental lobby publications proved to be very useful in terms of contemporary issues. Their criticisms of the ODA and official aid generally were also important in terms of developing an understanding of the shortcomings of official aid. NGOs are always a potentially damaging source of criticism of the failings of official government aid because they are in the same business and have a long experience of the problems and pitfalls of aid-giving. They also have money to produce literature which could be a thorn in the side of any government aid agency. However, as is pointed out later in this thesis, they are charities, and the government can threaten to take away their charitable status if they step over certain limits. The government also gives them money through the Joint Funding Scheme. As we point out also later on, a “carrot and stick” policy ensures the NGO publications do not go too far in “biting the hand that feeds them”. On the other hand, the NGOs were instrumental in setting up groupings like the World Development Movement (WDM) and the Independent Group of British Aid (IGBA) on a non-charitable basis. They are therefore not constrained by charitable status and are free to criticise the ODA. Some of the most useful material has come from these two organisations. However, these organisations operate on a shoestring budget (unlike the bigger NGOs), and their voice is not very loud.

Another lobby group, the National Alliance of Women’s Organisations (NAWO), which also has an input from NGO (women) personnel, has attempted to shift the ODA on gender issues through a dialogue with ODA staff. Some of its material is very interesting. However, the ways in which the ODA can neutralise or bring about the muting of criticism from such lobby groups is evident even with these latter mentioned non-charitable groups. NAWO, for example, has been funded by the ODA for a project to help NGOs to develop gender policies.

**6) Academic Institutions**

The IGBA is made up partly of academics whose departments are often partly dependent for research on ODA funding (NGO officers in the group have also accepted jobs at the World Bank). This must have some effect on what is said. Another academic institution, the ODI, which provides consultants for the implementation and evaluation of ODA projects, is also partially dependent on ODA funding for research. Teresa Hayter, who is

well known as a critic of official aid, was sacked from the ODI for being too critical of the World Bank. The World Bank demanded that a report she had written should be scrapped because it was highly critical of its practice. Hayter opposed this, but the ODI acquiesced to the World Bank. Nevertheless, a good deal of valuable information has been published by academic institutions. As we point out later on, it is not a question of a mechanical censorship of criticism (although the Hayter affair was pretty blatant). It is rather a question of self-censorship and understatement of the problems, not stepping beyond the limits to criticism established by the ODA.

**7) Press articles.**

A fair amount of material on controversies over aid came from researching back issues of newspapers on microfilm. This was particularly necessary for the period of the Labour government 1974-79. The source was mainly *The Times*.

The popular environmental and development press/publications were also important sources of information – *The Ecologist*, *The Spur* (WDM paper), *New International South*, etc.

**8) Multilateral Institution Reports.**

The various annual reports of multilateral institutions proved to be very useful, particularly the UNDP's *Human Development Report*, the *World Bank Annual Report*, UNICEF's *The State of the World's Children*, and the OECD's *Development Cooperation*, etc.

**9) ODA Annual Report and other Publications.**

An obvious source of material was the ODA's own *Annual Report* and its other policy/information publications. They were only of limited value since the *Annual Report* and many other publications are produced more as public relations exercises and "sunshine" reports rather than as genuine informational documents. Similarly, the evaluation reports are (as a social development adviser at the ODA admitted) generally not done on disastrous projects since they are very expensive to do and the ODA does not want to spend money telling the world about its failures. A false picture is gained from reading these reports as a result of this policy.

## **Literature**

The literature specifically on recent British aid policy and the extent to which it is poverty focussed is not vast. At the time when this thesis was begun, in January 1988, there was little comprehensive academic analysis of this subject. Most of what had been written was in the form of single chapters, articles, reports and booklets, many of them written by pressure groups rather than academics. It was therefore felt that a considerable gap existed, and it is hoped that this thesis will go some way towards filling it.

In terms of the pre-Thatcher period, some general historical background to British aid can be gained from D J Morgan's five-volume *Official History of Colonial Development* (London, 1979), or his earlier and shorter *Colonial Development* (London, ODI 1964). The more recent historical background to the establishment of the Ministry of Overseas Development in 1964 is provided by Dudley Seers and Paul Streeten in "Overseas Development Policies Under the Labour Government." in Beckerman, W, (ed) *The Labour Government's Economic Record 1964-1970* (London, 1972). An idea of the motivations of the 1974-79 administration can be gained from the books on overseas development written by two of its ministers: Harold Wilson's *The War on World Poverty* (London, 1953) and Judith Hart's *Aid and Liberation* (London, 1973). The former is largely technocratic in character, while the

latter contains a polemic against the anti-aid schools of both right and left, arguing strongly for the maintenance and reform of aid.

An interesting analysis of the institutional problems of implementing the "More Help for the Poorest" policy in Britain under the 1974-79 Labour Government was contained in Michael Lipton's book, *Why Poor People Stay poor: Urban bias in World Development* (London, 1977). This book is very much within the populist tradition (see chapter on philosophical issues). It provides an illuminating insight into the difficulties and pitfalls of implementing the "changing emphasis" in British aid policy at the time.

One of the best attempts to assess the achievements of the 1974-79 Labour Government has been made by Paul Mosley in his article: "Aid for the Poorest: Some Early Lessons in UK Experience", in the *Journal of Development Studies* (January 1981). This was followed by an Actionaid report: *Poverty-Focussed Aid: The Lessons of Experience* (London, 1987), also written by Paul Mosley. This was presented at a symposium, the proceedings of which were also published as *Actionaid Symposium on Poverty-Focussed Aid: Transcript of Proceedings* (London, 1987). The interesting feature of this latter document was the exchange which took place between the then Minister for Overseas Development, Chris Patten, and Paul Mosley as well as the discussion itself. The report contains a thoughtful analysis of the lessons of the poverty-focussed integrated rural development projects initiated under the 1974-79 Labour Government and the collapse of this approach under the Conservatives. Other assessments of the Labour period included Morris and Gwyer: "UK Experience with Identifying and Implementing Poverty-related Aid Projects" in *Development Policy Review* Vol 1 (1983), and Adrian Hewitt's "British Aid Policy and Practice" in *ODI Review* No 2 (1978).

The pre-1988 academic literature specifically on British official aid in the Thatcher period, despite being more abundant than the material on the 1974-79 Labour period, was still scanty and mostly in the form of short articles, reports often produced by academic/NGO-initiated pressure groups, as we have noted. The NGOs with charitable status are restricted from becoming too politically critical of government aid policy. It was for this reason that organisations like the World Development Movement (WDM) and the Independent Group on British Aid (IGBA) were set up to promote reform of official aid policy through lobbying and the publication of critical reports. The NGOs were instrumental in founding these organisations with a non-charitable status so that they could be free to criticise government policy without restriction.

The reports produced by the IGBA, and often authored by leading development academics, have been a particularly useful source of information about British official aid policy – much of it highly critical. These reports were: *Real Aid: A Strategy for Britain* (London, 1982); *Aid is Not Enough: Britain and the World's Poor* (London, 1984); *Missed Opportunities: Britain and the Third World* (London, 1986); *Britain and Tanzania: The Search for Real Aid* (London, 1986); and *Real Aid What Europe Can Do* (London, nd – 1988?).

The first of these reports does say a little bit about the period of the Labour Government but, generally speaking, and understandably, it concentrates on the period since 1979. The policy criticisms which these reports expressed have been very much within a perspective of reforming rather than abolishing official aid. One of the members of the IGBA, Paul Mosley, presented this perspective in his book, *Overseas Aid: Its Defence and Reform* (London, 1987). Once again, the weakness of these IGBA reports is their insufficient integration of the critically important gender aspect of aid policy. The absence of any women members of the IGBA might possibly have had something to do with this omission.



The Labour Aid and Development Committee proposed a *Programme For Development* (London, 1986), which contained a critical analysis of current British aid policy and proposed some quite detailed policy reforms for a future Labour Government on a whole series of development issues other than aid. These included women and development, the environment, transnationals, energy, food aid, trade unions and development education.

A paper published by Oxfam in the late eighties, *The Oxfam White Paper* (Oxford, 1987) written by John Clark, was a further modest contribution which specifically addressed itself to criticising British official aid policy. It dealt with commercialisation of aid, structural adjustment, and women and development. It also made some brief proposals for reform. This was further developed in John Clark's book, *For Richer, For Poorer* (Oxford, 1987) which also contained some material on British aid.

An Actionaid report written by Mark Robinson, *Aid for the Poorest?: UK Aid to Bangladesh*. (London, 1988) was another example of the very small number of brief but useful published critiques of specifically UK aid policy. Its usefulness lay in the fact that it analysed a number of British official aid projects and attempted to assess the extent to which they were poverty-focussed.

A report of the Select Committee on Foreign Affairs: *Bilateral Aid: Country Programmes. Second Report of the Foreign Affairs Committee* (Session 1986-87, HCP 32) and the related *Minutes of Evidence* provided some interesting information: the evidence given by the IGBA was particularly illuminating in relation to the commercialisation of British aid under the Thatcher Government.

The best account of the British Overseas Development Administration (ODA) policy and record on women is a booklet written by Julia Mazza for War on Want: *The British Aid Programme and Development for Women* (London, 1987). This quite comprehensive critique of ODA gender policy led to considerable controversy and the adoption by the ODA of some of its proposals. As a result it is now somewhat out of date, since some of its criticisms have been taken on board. Many of the ODA policy documents and guidelines have been revised or replaced by new documents.

Since 1988, however, a number of works have appeared which have also filled in much of the gap in the literature on recent British official aid policy. In 1989 Teresa Hayter published a book largely, but not exclusively, devoted to British aid in relation to the environment and poverty: *Exploited Earth: Britain's Aid and the Environment* (London, 1989). This is a comprehensive source of up-to-date information about British official aid projects. It is highly critical of these projects, but does come up with some very valuable and positive proposals for reforming aid despite the fact that the author is well known for her views about abandoning aid as it is presently constituted. Some of her proposals are integrated into the programme of alternative policies presented in the concluding chapter of this thesis. However, the book concentrates largely on the period of the Thatcher administration and does not deal with the period of the Labour Government (1974-79) in any depth.

Another recently-published book dealing with the period of the Thatcher administration is a collection of essays edited by Anuradha Bose and Peter Burnell: *Britain's Overseas Aid Since 1979: Between Idealism and Self-Interest* (London, 1991). This is another mine of extremely interesting information on British official aid, much of it critical in a positive way of the Thatcher Government aid policy, written by some of the most well known academics and NGO officers in the development lobby. Its comprehensive span includes aid policy and the environment, the relationship between NGOs and official institutions, an excellent contribution on the role of the business lobby in relation to aid and an essay on the aid

lobby. This otherwise comprehensive span, however, does not include a contribution on the crucial issue of aid and gender.

The most recent book to be published on British official aid during the Thatcher years is Morrissey et al: *British Aid and International Trade: Aid Policy Making 1979-89* (London, 1993).

In relation to the environment, the most detailed critique of projects on the ground in a particular country has been by made in a booklet by S Percy and M Hall: *British Aid to India: What Price?* (London, 1989) and an unpublished follow-up report, *British Aid to India: Turning Green?* (London, 1991) written by Percy, a freelance writer who has visited Karnataka in India on several occasions. The value of these contributions is that they are some of the very few independent first-hand accounts of the progress of a number of ODA projects in India.

### **To Summarise: Some Key Features of this Thesis**

This thesis has thus attempted to provide an overview of the period in relation to the aid priorities of the two governments under scrutiny using interviews with ODA staff, politicians, consultants, freelance journalists, women and development organisations and development lobby groups. Use has also been made of NGO publications, pressure group reports, press articles, government publications and parliamentary papers, parliamentary debates, ODA statistics (some of them internal and unpublished), political party documents, and ODA internal project documents.

A lengthy interview with Judith Hart for the purposes of this thesis, recorded shortly before she died, may now be possibly the last expression of her thoughts about the issues during her time as Minister for Overseas Development. The excerpts from that recorded interview included in the thesis thus provide a unique picture of her role in the period of the Labour Government.

Another key feature of the thesis is the statistics on sub-sectoral priorities within the agriculture and social and community services sectors of project aid, technical cooperation and programme aid. This gives some idea of human development priorities within British aid. This was possible thanks to access, granted by the ODA Statistical Department, to internal unpublished ODA sectoral statistics.

Christian Aid has conveniently published annual tables of British aid figures covering the years 1975-90, compiled by Jessica Woodroffe and Kathy Jones. Use has been made of these in this thesis. They have been converted to constant prices where they were not already in that form.

A further key source was internal ODA documents on the percentage of ODA projects of relevance to women. This revealed that, despite the best efforts and intentions of ODA Social Development Advisers, the number of such projects remains at an unacceptably low level. A picture of the attempts being made to change this situation being carried out by women's lobby organisations was also provided by access to unpublished papers of the National Organisation of Women's Organisations (NAWO) presented at meetings with the ODA.

Graphs used in the thesis are derived from tables in Appendix 1. The numbering of the graphs corresponds to the numbers of the tables from which they are derived. Sometimes more than one graph is derived from a table. A brief source is given with each graph. A fuller source reference is given with the corresponding tables.

Use has also been made of a set of tables compiled by Clark and Toye, first published in "The Aid and Trade Provision: Origins, Dimension and Possible Reforms" in *Development Policy Review* Vol 4, No 4 (1986), and subsequently republished as Appendix 11 to the *Minutes of Evidence* to the Second Report of the Select Committee on Foreign Affairs: *Bilateral Aid: Country Programmes, op cit*, p195. They are included by permission of the publisher – SAGE.

Two Parliamentary Written Questions were put to the House of Commons to elicit information for this thesis. One was by Ann Clwyd MP, the Labour Spokesperson on Overseas Development; the other was by Jim Lestor MP. See Appendices 3 and 4 for the details of these questions and the responses to them.

A good deal of the information was from interviews. Two of them were with former Ministers of Overseas Development: in addition to the already mentioned interview with the late Dame Judith Hart, an interview with Sir Timothy Raison provided some useful insights into his period of office. Other interviews included ODA staff, consultants to the ODA, MPs with an interest in aid and independent writers (see Preface for full list).

A further important source of information was internal, unpublished ODA project documents. These were made available to me by ODA staff. These provided an inside view and were very useful. Further useful unpublished documents relating to ODA projects were provided by ODA consultants at the Overseas Development Institute (ODI), which has a close working relationship with the ODA. My thanks to all concerned are recorded in the preface to this thesis.

## Chapter 2

### Theoretical Frameworks

In this chapter an account will be given of some theoretical issues in relation to aid as they have manifested themselves in the British context. The various moral, philosophical and ideological viewpoints and dilemmas will also be set against the existence of different lobby groups seeking to influence British aid in the period under scrutiny. The role and impact of the lobby groups will be assessed in order to illuminate the dominant influences on British aid practice.

Marx noted in the last century that in capitalist society formal political equality is insufficient to guarantee a democratic society. Even in the case of the United States, which in many ways had the most democratic constitution, social inequality in “civil society” inevitably made itself felt at the political level even under conditions of formal equality. Equality was an abstraction while social inequality remained. Powerful interests in the economic sphere dominated the political sphere.<sup>1</sup>

The mechanisms through which this occurs have been illuminated by subsequent writers in the twentieth century – group theorists – who have analysed the workings and dynamics of pressure and lobby groups. The relative importance of the electoral process and lobby groups is a key issue in this approach.

A conclusion reached by many such writers is that governments do not implement the wishes of the electorate but respond instead to the priorities of powerful pressure groups. Ministers become spokespeople for these lobby groups whose interests are essentially mediated by the Civil Service bureaucracy.

There are many different kinds of pressure groups in Britain, for example the environmentalists, industrial firms, trade unions, the farming lobby and the development lobby. It is clear, however, that they do not all have the same ability to influence government. Each Ministry has its own collection of lobby groups. What is more, as Richardson and Jordan<sup>2</sup> have pointed out, a patron-client relationship often characterises the relationship between lobby group and Ministry. We will see later on in this thesis some examples of this phenomenon in relation to aid. In addition to this it has been pointed out by Richardson and Jordan that pressure groups are often allies of the Ministries to which they relate. While pressure groups may conflict over policies, they often share certain basic concerns about the subject with which they are dealing. Ministers sometimes welcome “pressure” in order to extract more resources from the Cabinet.

However, it is clear that the most powerful lobby in society is the commercial and industrial lobby because that is where economic power is concentrated. Both the Labour and Conservative administration were compelled to acknowledge such interests when spelling out their aid policies. The development, gender and environmental lobbies are by comparison marginal in their influence on government. The NGOs with access to money such as the big private charities, which might have the resources to campaign less marginally, are prevented from doing so by their charitable status. The limits on their ability

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<sup>1</sup>Marx, K. “A Critique of Hegel’s Philosophy of State”. In *Early Writings*, 1973.

<sup>2</sup>Richardson, J J and Jordan, A G. *Governing Under Pressure*. 1979.

to produce material critical of official aid are very tight. They can only sail so close to the wind.

Anuradha Bose has illuminated the variety of the commercial lobby groups in relation to British aid. Most obviously, the CBI acts as a mouthpiece for industry in general. There is also, for example, the Export Group for the Constructional Industries and the British Consultants Bureau. There are many business associations with varying degrees of resources available to finance lobbying. As Bose points out, they all have in common certain obvious interests: more general Aid for Trade Provision allocations, better risk absorption programmes for firms operating abroad etc.<sup>3</sup>

Although counter-pressure groups can neutralise to some extent the effects of pressure groups, there is an imbalance in their ability to exert influence as we have seen. The development and environmental lobbies may exert pressure which limits the effect of the industrial and commercial lobby but it is a very unequal struggle.

As Alderman has noted, there is a “conspiracy of silence” and secrecy which surrounds many of the activities of civil servants. The *Memorandum of Guidance for Officials Appearing Before Select Committees*, issued by the Civil Service Department on 16 May 1980, authorises withholding of information by government officials “in the interests of good government”.<sup>4</sup> The ability of the Government to issue Public Interest Immunity Certificates, which restrict access to documents, also illustrates this problem. Many documents are covered by the Official Secrets Act, and the thirty-year rule prevents retired civil servants from making information public.<sup>5</sup> The dealings with the business lobby are shrouded in secrecy. The business lobby is able to operate through private, informal and secret contact with the relevant Ministries. Although corruption laws exist to stop lobbyists from openly bribing officials, the rules allow for “conventional hospitality” – lunches, annual dinners etc.<sup>6</sup> There is also nothing to stop a firm from contributing or raising its contributions to the ruling party funds. The cross-over of civil servants to firms they have dealt with, while subject to certain rules, does happen and inevitably provides scope for rewarding officials with plum jobs in the private sector. For example, officials at the level of Under-Secretary and above have to seek official sanction for accepting posts in companies they have dealt with in the Civil Service for a period of two years after leaving the service. But such cross-overs do occur.<sup>7</sup> Cross-overs between the ODA and development lobby groups are also evident, however, although the highly-paid jobs available in commercial firms are not available there. As Grant has pointed out, Britain displays many of the characteristics of a “company state”. Contact is directly between individual firms and the state without the intermediary of trade associations (as in Germany) or political parties (as in Italy). Prior to World War II industrial development was regarded as being separate from the state and based on individual company initiative. During and after the War the state intervened, but contact was through the trade associations. Since the 1970s, however, and particularly under the Thatcher administration, direct contact with individual firms has accelerated rapidly. Government relations divisions were established in many firms. As a result of Thatcher government policy, therefore, civil servants emphasised direct contact

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<sup>3</sup>Bose, A. “Aid and the Business Lobby”. In Bose and Burnell (eds). *Britain's Overseas Aid Since 1979*. 1991.

<sup>4</sup>Alderman, G. *Pressure Groups and Government in Great Britain*. 1984.

<sup>5</sup>Bose. *Op cit*, p127.

<sup>6</sup>Alderman. *Op cit*, p79.

<sup>7</sup>Richardson and Jordan. *Op cit*, p63.

with individual firms.<sup>8</sup> This could only provide more scope for “conventional hospitality”, cross-over deals for services rendered and donations to party funds etc. The analysis in this thesis of the Aid for Trade Provision and other commercially-motivated aid deals under Thatcher and associated donations to Conservative funds illustrates this phenomenon.

A picture emerges of British government functioning which is characterised by “departmental pluralism”. Ministers operate as advocates of their particular ministerial bureaucracies rather than as a collective cabinet making policy in the light of manifesto commitments. The Civil Service bureaucracy in turn mediates the conflicting lobby group pressures upon it, but in practice reflects the interests of the most powerful lobby groups linked to commercial and industrial interests. It does so through an institutionalisation of “consultation and consensus” with the lobbies before establishing policy. A patron-client relationship between Ministry and key lobby groups is evident. Only the more powerful lobby groups are included in the consultation and thus become the “policy issue community” in a process of “segmented policy making”. Parliament plays little role in actual policy making. The lobby groups and the Civil Service bureaucracy define the policy. The lobby groups may be co-opted and financed to perform a particular policy-related service. The growth of government agencies and quangos leads to policy-bargaining between the Government and its agencies which operate as quasi-lobby groups. Resources are allocated to Ministries and projects on the basis of “bargained allocation” not on the basis of “rational allocation” as a result of the implementation of manifesto commitments and priorities. Policy making is “incremental” in nature as a result of bargaining between interest groups. It is not essentially to do with the adoption of wholesale policies conceived in a coherent, “rational” manner.<sup>9</sup> Pragmatic crisis reaction and short-termism more often than not prevail over long-termism and strategic thinking.

If we take as an example the most extensive statement of aid policy in the period we are discussing we can see that this is very true. The 1975 White Paper, *More Help for the Poorest*, reflected at one level a “basic needs” approach to helping the poorest communities, reflecting the views of the development lobby. As will be seen in the chapter on the Labour Government, however, criticism was levelled at the White Paper because the Minister had obviously “lost a battle” with the Treasury over local and recurrent costs which were essential to a poverty-focussed approach. The Treasury as always was primarily concerned with the balance of payments implications of policy. Its concerns reflected its own constituency of lobby groups which in this case prevailed over the “basic needs” aid lobby. Similarly, other critics pointed out the clauses in the White Paper which referred to the need to recognise wider commercial and political considerations. The cited examples in this thesis commercially-motivated aid projects of dubious developmental value to their recipients, demonstrated the power of the industrial export lobby. The writers of the White Paper were clearly faced with a number of ready-made policies prepared by the policy-issue communities associated with each lobby organisation. The end result was a White Paper which emerged as the product of a bargaining process between the lobby groups mediated and coordinated by the Civil Service bureaucracy. The poorly-attended Parliamentary debates on aid played little role in this process of policy formation.

The Conservative aid policy announced in the guise of the Marten Statement to the House of Commons in February 1980 did not essentially change the Labour policy, as Judith Hart noted at the time. A more explicit policy of shifting the emphasis towards a greater recognition of the importance of commercial, industrial and political considerations was adopted. But it was essentially the same policy – it did not, for example, repeal the 1974

<sup>8</sup>Grant, W. *Business and Politics in Britain*. 1993. pp 14-15.

<sup>9</sup>Richardson and Jordan. *Op cit*.

White Paper which still has force today. This should not be surprising since the same constituency of lobby groups existed with the same relative balance of forces. The same Civil Service bureaucracy mediated these interests. The only shift which has occurred has been that of a greater lip service to gender and environmental issues instituted by Chris Patten. This reflected the greater consciousness of these issues by British society as a whole. The chapters on gender and environment, while acknowledging the cosmetic changes which have occurred also indicate just how far there is to go in these areas. The shift in the balance of forces between lobby groups has not substantially been altered. The changes are largely rhetorical and the resources committed are token in nature.

Political and foreign policy considerations also play their part. This is especially so since the ODA is no longer an independent Ministry. It is a department of the FCO. Group theorists have argued that Ministries and departments may be conceived a “lobby” groups in their own right. A good example of a clash of departmental priorities may be seen in the case of the Pergau Dam Project in Malaysia. The Permanent Secretary and ODA Minister both opposed this project on development grounds. They were overruled by the FCO Minister and the Prime Minister for commercial, but also diplomatic, reasons. Diplomatic relations with the Malaysian Government were damaged by the subsequent press revelations about the nature of this project (see Appendix 7 for more on this). The Permanent Secretary Timothy Lankester, was so annoyed with the outcome of the case that he transferred to another Ministry. The ODA is clearly a “weak” department and is easily overruled by stronger Ministries – this in turn reflects the lobby groups behind each Ministry and their relative power to influence events. The DTI, reflecting more directly the business and export lobbies, for example, is also stronger than the ODA.

We will now examine some of the different philosophical, ideological and moral issues which emerged in British developmental circles during the period we are surveying. It is, however, important to recognise that these theoretical approaches did not have an equal weighting in terms of the actual policies adopted or the practical outcomes of the bargaining process. The export lobby represented by the Department of Trade and Industry and the balance of payments concerns of the Treasury were overwhelmingly dominant. The aid lobby and the economic liberalism of the Bauer school were both marginal. We begin our survey, however, with the development philosophy of the 1974 Labour Government.

The Labour Government which came to power under Harold Wilson in 1974 was remarkable, in relation to aid, in that it had within its ranks two ministers who had each written a book on the issue of overseas development.<sup>10</sup>

When one considers the lack of interest which this area has merited under the Thatcher Government this fact is particularly highlighted. The fact that none other than the Prime Minister himself, Harold Wilson, was one of these people reinforces this point. Wilson had motivated his work in the following terms which placed him firmly in the school which maintains that there is a moral basis for providing aid:

"There is one reason above all others why the world should be mobilised against human poverty. It is not a question of self-interest or power politics. It is a moral imperative. We are rich and they are poor, and it is our duty to help them."<sup>11</sup>

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<sup>10</sup>Wilson, H. *The War on World Poverty*. London, 1953; and Hart, J. *Aid and Liberation*. London 1973.

<sup>11</sup>Wilson, H. *Op cit*.

Wilson reinforced this with the following quotation:

"To thou shalt not kill is added another rule – Thou shalt not let thy fellow man starve when the science and industry at thy command enable him to be kept alive."<sup>12</sup>

Most of the book is concerned with the mechanics and economic technicalities on an international level of what he envisaged as the way forward in overseas development, with an emphasis on alleviating hunger through rural development. Some idea of the commitment which he had towards overseas development at this time can be gained from the picture he paints of the origins of British overseas development during the colonial period, a picture which points up the stark contrast between this record and the moral stance he advocated in the above quotations:

"Social development was limited to the miserably inadequate sums which a tight-fisted Treasury, dedicated to low taxation, allowed to colonial governments. Economic developments were limited to the work of private enterprise developers and the small supplemental assistance with roads and port and harbour installations which colonial governors thought necessary to support the major private enterprises of the area..."<sup>13</sup>

The contrast between the moral basis for aid giving which he advocated and the undistinguished British record on overseas development during the later colonial period was highlighted when he went on to describe the first Colonial Development Act in 1929 as having been motivated more by a "desire to relieve unemployment in Britain, than the promotion of economic and social advance in the colonies". He also described the subsequent Act in 1940 as being the result of riots in the West Indies in 1938 which sent shock waves through the empire at a sensitive moment of international war-time tension. He pinpoints the war-time period as a turning point in the economic and social "awakening" of the British colonial territories. The part played by colonial troops in the war effort, the economic mobilisation for war in the form of increased production of commodities necessary for the war effort, greater investment in improved infrastructure to speed up transport, and the encouragement of self-sufficiency in foodstuffs and some manufactured goods to save on shipping-space all served to widen the horizons and raise the expectations of the colonial peoples.

At the end of the war the annual funds allocated to colonial development were tripled from £5 million to £17.5 million and a much more coordinated development programme was instituted by the incoming Labour government. This increased attention to colonial development paralleled the welfare reforms in Britain itself at this time which were also aimed at meeting the raised expectations created by war-time privation.

Wilson was instrumental in the early 1950s in founding the development organisation War on Want and, as we have seen in an earlier chapter, was responsible during his first administration in 1964 for establishing a separate Ministry of Overseas Development with a Minister of Cabinet status.

The other minister in the 1974 Wilson administration who had published a book on overseas development was Judith Hart. She became the Minister of Overseas Development. She had

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<sup>12</sup>Ward, H O. "Am I my Brother's Keeper?" *Reynolds' News*, 8 June 1952 (quoted in Wilson, H. *Op cit*, p25).

<sup>13</sup>Wilson, H. *Op cit*, p96.



briefly been a Minister of Overseas Development in the previous Wilson government until the defeat of that administration in 1970. In her book, *Aid and Liberation*, published in 1973, she states the basis of her approach to aid, unlike Wilson, in ideological terms:

"And what should be the starting point of such an approach? It must clearly be one which recognises the shared objectives and common interests of the working class in all countries, and seeks to create unity of purpose in development and aid policies among socialists in both rich aid-providing countries and poor aid-receiving countries."<sup>14</sup>

Whereas Harold Wilson's position on aid, quoted above, was a case where a moral basis for aid was adopted which appealed to a presumed supra-historical system of morality applicable to all humans – an approach which may be based on religious convictions; the above quotation from Judith Hart on the other hand is ideological.

The motivation for the aid policy of the Labour Government in the 70s was the classic Keynesian prescription of giving the Third World poor greater purchasing power, providing income generation for growth etc.

"The really key issue was that aid policies, not just of Britain but of all of the other donor countries, had been keyed to the 1960s Rostowian approach: trickle down. And I think the main thing I did was to gear it away from that towards aid for the poorest – not just on the grounds that the poorest were the ones who needed the most help, but on economic grounds, Keynesian grounds if you like. That until the poor who were the massive majority in the poorest developing countries began to have a little extra consumer purchasing power you would not get the income-generation that was necessary for growth. So it wasn't just a sort of, not sentimental, but it wasn't just a sort of let's be nice to the poor question, it was the hard economics of how best to achieve real development."<sup>15</sup>

In contrast to the approach adopted by Wilson and Hart, the development lobby and the churches, there were sections of the political right who argued that there was no moral obligation whatsoever on the part of governments to act, as opposed to individuals. Perhaps the best known person to argue this case in Britain, during the period under scrutiny, was Peter Bauer, formerly of the London School of Economics. This view became influential within the Thatcherite wing of the Conservative Party in the late 1970s and 1980s but, as we will see, it did not determine the policy of the Thatcher government because of the weight of the export lobby which acted as a countervailing trend.

"Global egalitarianism is based on the idea that people's requirements are fundamentally the same everywhere. As we have seen, this idea is obviously unfounded."<sup>16</sup>

And even if they were, it is argued, the failure of the poor to meet their own needs is because they lack abilities, the capabilities, the inclination or motivation for economic or cultural achievement. Economic differences are deserved, according to this view:

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<sup>14</sup>Hart, J. *Op cit*, p243.

<sup>15</sup>Interview with Judith Hart. 8 January 1991.

<sup>16</sup>Bauer, P. *Equality, the Third World and Economic Delusion*. London, 1981, p118.

"In addition, advocacy of egalitarianism usually assumes that people's capacities, attitudes, values and beliefs are uniform, so that differences in income and wealth among both societies and individuals result from accident or exploitation. If that were so, redistribution (i.e. confiscation) would be both just and relatively painless... in fact, however, attitudes, motivations and policies differ greatly among societies. These differences provide the underlying causes of visible differences in income and living standards."<sup>17</sup>

"Income differentiation is just and not a result of misappropriation by others."<sup>18</sup> "Lack of natural resources has little or nothing to do with the poverty of individuals and societies."<sup>19</sup> Attempts at redistribution will cause injustice by conflicting with liberty.<sup>20</sup>

And, according to Bauer, the history of colonialism does not provide evidence of a need for restitution because:

"The West has not caused the relative poverty of the Third World. The opposite is the case. The contacts established by the West have resulted in improved living conditions, longer life expectation and much wider choice for hundreds of millions of people in the Third World... Even if it could be established that colonialism was on balance harmful to the colonized, this would still not provide an argument for Western aid generally... This is so because, except for very short periods, historical wrongs cannot be put right."<sup>21</sup>

Bauer's ideas have been echoed within the Conservative Party by Enoch Powell who replied to an earlier speech by the Archbishop of Canterbury, Dr Coggan, which had called for an increase in the aid programme. Powell's speech was reported in *The Times* as follows:

"There was only one set of circumstances in which Dr Coggan's statement would not be nonsense and that was if the wealth of Britain and the satisfaction of the British people's economic demands were procured by forcible spoliation. But that was not so... Trade was free exchange, Mr Powell said, and free exchange by definition could take place only when the transaction appeared to the participants, not only to their advantage more than any alternative course of action which they perceived. 'It is only one of the crudest errors to suppose that the so-called poorer trading partner is obliged by his poverty to trade and therefore gets a worse bargain', Mr Powell continued 'At the point of voluntary exchange there can be neither gainer nor loser, constrainer nor constrained. At the market price all are equals'.... The church was calling for the use of force to extract resources from the people of Britain, of force to determine the consumption,

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<sup>17</sup>*Ibid*, p118.

<sup>18</sup>*Ibid*, p12.

<sup>19</sup>*Ibid*, p82.

<sup>20</sup>*Ibid*, p19

<sup>21</sup>*Ibid*, p121.

production and way of life of the people of other countries ... 'Tyranny is never so dangerous as when it has donned the mask of beneficence'.<sup>22</sup>

Bauer's argument that people have no common needs ignores the basic biological needs of all humans, which is what is at stake in many poor countries. When questioned about this Bauer gave the following reply:

"Even if people have the same biological needs they live in widely different social and physical environments. This has to be taken into account. Certainly you don't need the same protection from the cold in Jamaica as you do say in Northern Europe. That is clear."<sup>23</sup>

When it was put to him that there are nevertheless basic needs for pure water, food, clothing, shelter and there is a certain limit in terms of their supply beyond which life cannot be sustained he replied:

"Oh surely, but a basic limit... but the requirements for shelter are very different in, say, South Asia or Africa than they are in Europe. But the question about how far, say, clean water is a basic need considering that it did not exist in Europe until the 1830s – there was no piped water in Europe until the 1830s..."<sup>24</sup>

This argument is absurd. While it was clearly not possible to extend the pedantic point about clothing and shelter needs not being identical, he was unable to make this point in relation to water, which clearly is identical, and is therefore forced to fall back on the utterly ridiculous assertion that pure water is not a basic need because humanity survived without it up to the 1830s. It should not be necessary to point out that while humanity did survive without pure water until the 1830s it did so at great cost in terms of health and disease.

His next argument is that "economic differences are largely the result of people's capacities and motivations",<sup>25</sup> and that the lack of resources has little to do with poverty and would appear to be saying that the hungry of the world are hungry because they do not have the motivation to eat and survive. All humans are normally driven to meet such basic needs and it does seem ludicrous to ascribe the predicament of the starving to a lack of motivation. His answer to this was as follows:

"How do they come to be poor in the first instance? Look ultimately at the conduct of the people including their government: that is, I think to explain riches and poverty you have to think in terms of the conduct of people including their governments. I regretted putting in 'largely' later. I don't put that in any more. Economic differences is the conduct of people including their governments."<sup>26</sup>

What Bauer means by people's capacities and motivations is therefore the poor conduct of their governments. Also, "the government is part of the people". The upshot of this is that differences in wealth between North and South are caused by internal causes, not by external

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<sup>22</sup>*The Times*, 8 February 1975, p3.

<sup>23</sup>Interview with Lord Bauer. 4 April 1991.

<sup>24</sup>Interview with Lord Bauer. 4 April 1991.

<sup>25</sup>Bauer, P. *Op cit*, p19-20.

<sup>26</sup>Interview with Lord Bauer, 4 April 1991.

causes. He also conveniently rejects the concept of neo-colonialism, which he describes as a "term of generalised abuse" not to be taken seriously. But what Bauer forgets is that many of the Third World governments were put in power, and are influenced by, Northern governments through such mechanisms as the IMF and aid which is conditional on certain policies being adopted.

Bauer's argument that attempts to redistribute income inevitably involves coercion and conflicts with liberty ignores the possibility that the freedom of some to acquire unlimited wealth, and the economic and political power that goes with it, might affect the freedom of others even more.

Bauer's arguments that colonialism improved living standards rather than caused Third World poverty is simply asserted and unsubstantiated by any facts. A very different perspective is presented by Harold Wilson:

"In general, the role of the Colonial government was defined as that of 'holding the ring', of keeping law and order, ensuring the payment of taxes, and providing the minimum of communications and social services. The task of economic development was left to private enterprise. Wherever the private trader, the limited charter company, saw a profit to be made, let him enter, and in times of danger back him with military force...Thriving and profitable industries were developed, but it was the profit of the company in the City of London or the trader on the spot, and not the welfare of the native peoples that provided the impetus in development. Some native workers gained a little in their standard of life: many more suffered exploitation and victimisation, as the record of the Rhodesian copper mines and West Indian plantations has shown.<sup>27</sup>

The second argument – that historical wrong-doings (assuming that they did occur) cannot be put right except over short periods, and that it would become impractical if every wrong-doing in history were to be taken into account – can equally be used as an excuse to do nothing about anything in terms of restitution. Instead of negatively hiding behind the complexities of historical wrong-doings in order to dismiss the possibility of action it would probably be more helpful to examine what is practically possible. As Riddell points out: if Bauer seriously believes his second point (restitution of wrong-doings impractical) then he cannot hold his first point (beneficial effects of West on Third World) to be universally true.<sup>28</sup> Since Bauer is an advocate of ending Northern protectionism towards Third World exports, and since he is not against the Third World developing itself, Riddell poses this to Bauer as a possible moral basis for ending an unjust and recent wrong-doing.<sup>29</sup>

In a similar vein, Nozick argues that the existing income inequalities are just if people are entitled to their ownership of wealth and it was acquired by just means.<sup>30</sup>

These individual rights are so strong and far-reaching that they leave very little role for the state to play. It thus excludes any redistributive role. Its role should be confined to law and

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<sup>27</sup>Wilson, H. *Op cit*, p96.

<sup>28</sup>Riddell, R C. *Foreign Aid Reconsidered*. ODI, London, 1987.

<sup>29</sup>*Ibid*, p37.

<sup>30</sup>Nozick, R. *Anarchy, State and Utopia*. Oxford. 1974, p149. Quoted in Riddell. *Op cit*, p30.

order and the enforcement of individual, contractual rights. Thus this theory is historical in that a given distribution is just only if it came about in a just way.<sup>31</sup>

Nozick develops the idea that a given distribution cannot be unjust if the procedures which gave rise to it were themselves just. This, he claims, is a total rejection of other concepts of social justice based on need or egalitarianism.

The most comprehensive attack on this line of argument has been marshalled by Riddell: Nozick fails to explain the reasons why there is an absolute entitlement to property justly acquired. Neither does he, despite accepting that there are certain constraints on this absolute entitlement, put forward an adequate basis for any such obligations and constraints arising from such rights.

"If the taking of a small piece of property that is unnecessary for your survival or well being can save the life of a child, then the infringement of your property rights would be done for the sustenance of life. Can one object to this basis for overriding absolute property rights and if not, where does one draw the line."<sup>32</sup>

The conflict between different individual rights, thus, implies a moral basis for making judgements between them, which, as Nozick concedes must make some reference to the ability of all people to live a "meaningful life", a concept which Riddell argues is related to need. Nozick, thus, appears neither to rule out nor adequately acknowledge that such a moral basis is necessary. Similarly, according to Nozick, property can be acquired which is freely available on its own or by mixing one's labour with what is freely available. He also accepts the "Lockean Proviso" that goods can be acquired provided there is "enough and as good left over" for others to use. As Riddell points out this too implies an acceptance of the needs of others. Nozick's insistence that the operation of a free-market will not actually cut across the Lockean Proviso is disputed by Riddell on the grounds that in reality perfect competition is less common than monopoly ownership in which free resources are scarce and in which the majority must have been acquired without there being "enough and as good left over". Given that the world prior to individual ownership was in reality one where property was commonly owned rather than owned by no-one, Nozick's assertion that most property has been justly acquired remains in need of proof.<sup>33</sup>

Francis Moore Lappe has put the same point in a rather more forthright and down-to-earth fashion:

"... Fewer and fewer people (own) more and more of the land, controlling credit, water, marketing channels and so forth. As the poor in ever greater numbers are pushed from the land, they are less and less able to make their demand for food register in the market... In parallel urban development, a small elite often controls banking, industry and commercial institutions... With such concentrated power, the wealthy are free to indulge in investments that employ relatively few workers and to resist workers' demands for a living wage."<sup>34</sup>

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<sup>31</sup>*Ibid*, pix.

<sup>32</sup>Riddell, R C. *Op cit*, p32.

<sup>33</sup>*Ibid*, p33.

<sup>34</sup>Lappe, F M. *World Hunger: 21 Myths*. London, 1986, p70.

Riddell cites Kirzner's argument to great effect, that Nozick's notion that justice in transfer occurs if free market transactions are voluntary is dependent on there being complete information about market conditions equally available to all concerned. This is not the case in reality and, indeed, all competitive entrepreneurial activity is based on the commercial exploitation of errors made by others arising from this uneven distribution of information. Decisions cannot be considered to be voluntary if they are made without complete awareness of the state of the market.<sup>35</sup>

Riddell also brings in Arrow's argument that the justice of individual acquisition via the mixing of an individual person's labour with a given resource has to be set against the possibility that greater gains could be achieved via social interaction with the resource.<sup>36</sup>

Finally, Riddell also highlights the effect that Nozick's views have had on British Conservative politicians, Sir Keith Joseph for example:

"At the root of our present preoccupation with equality is the instinctive notion that differences somehow need to be explained and justified. But although this is very frequently asserted there is no obvious reason (or obscure reason) why it should be. What renders a particular distribution of wealth 'fair' or 'unfair' is not the distribution itself but the manner in which it arose. Since inequality arises from the operation of innumerable individual preferences it cannot be evil unless these preferences are themselves evil."<sup>37</sup>

Similar arguments have also been put forward by Milton Friedman in the USA and have received a reply from Frances Moore Lappe:

"Friedman insists that the most salient virtue of the free market is that it responds to individual preferences. In our response we said that the preferences of most individuals is to eat when they are hungry – yet more than half a billion people living in market economies are not eating. The lesson is unmistakeable: the first shortcoming of the market is that it does not respond to individual preferences – or even needs. It responds to money."<sup>38</sup>

Given the concentration and monopolisation of rural and urban property outlined by Lappe in a previous quotation, the argument that the market responds to free preferences is undermined:

"Under these conditions what does the market do? The only thing it can: it responds to the tastes of those who can pay, the privileged minority. They alone have the income to make what economists call effective demand. Production inevitably shifts to items desired by the better off, such as meat, fresh fruits and vegetables, imported VCRs and Chivas Regal. (...) an

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<sup>35</sup>Kirzner, I M. "Entrepreneurship, Entitlement and Economic Justice". In Paul (ed). *Op cit*, p386 (quoted in Riddell. *Op cit*, p34).

<sup>36</sup>Arrow, K J. "Nozick's Entitlement Theory of Justice". *Philosophia*, No 7, 1978, p278 (quoted in Riddell. *Op cit*, p34).

<sup>37</sup>Joseph, K and Sumption, J. *Equality*. London, 1979, pp 79 and 83 (quoted in Riddell. *Op cit*, p29).

<sup>38</sup>Lappe, F M. *Op cit*, p69.

invisible food revolution (occurs) in which basic foods for the majority are displaced by luxury crops for the minority."<sup>39</sup>

Economists Friedman and Bauer also see aid as an international extension of state intervention which obstructs the unrestricted development of market forces and inhibits growth. It is argued also that most of the aid given to recipient countries, including food aid, is used to supplement the consumption of the middle classes not the poorest and that this in turn props up the corrupt regimes which depend on their support. Bauer also argues that external finance has little to do with development and that it has more to do with the individual attributes of the recipient populations.

On the political left, a number of writers have drawn the same conclusion as the above economists, but for the opposite reason. Whereas the right-wing economists have opposed aid because it inhibits market forces, the leftist writers such as Hayter in Britain and Lappe in America have opposed aid because it is seen as promoting market forces in the Third World. Additionally, aid is channelled through recipient governments which, it is argued, do not allow it to "trickle down" to the poorest, but siphon it off to the national and local elites and the middle class, whose control over the land and other resources generate poverty. Aid is seen as bolstering those social layers which are against redistributive policies. An important difference, however, between the leftist opponents of aid and the rightist anti-aid lobby is that the former, unlike the latter, do accept that there is a moral basis for aid, though not on religious grounds. The leftists merely argue that aid should be given without strings and conditionality etc. In that sense the label "anti-aid" is misleading when applied to them. They are more accurately "anti-strings" and "anti-conditionality". They are in reality "pro-aid", and, in the case of Hayter at least, would see this as only being a possibility under a radical socialist government.

The problem as identified by Lappe is not so much one of the lack of resources on the part of the poor as a lack of power to direct a development process in their own interests rather than in the elite's interests or the North's interests. Lappe et al called for an ending of aid to all such corrupt, repressive regimes, in other words those that were favoured by their own US government.<sup>40</sup>

Judith Hart's book referred to above contained both a polemic against what she regards as the "anti-aid" lobbies of both right and left and, at the same time, a recognition of the contradictory nature of previous aid policies, in the sense of aid being an agency of neo-imperialist interests while, despite this, achieving in a number of cases some developmental goals:

"To reject the whole concept of aid in despair because so much aid in the past has been wrongly directed is to contract out of the whole developmental issue, in so far as any help from the rich countries is concerned... to contract out is to evade the responsibility and guilt that any former imperialist power must bear for the pattern of past events, which have shaped the present, and produced the poverty gap. A socialist in a rich country must try to make reparations; he cannot get off the hook by coming to easy terms with his own failures... Instead, he must seek and work for a new approach to aid. Giving neither blanket condemnation of all aid, for even the most neo-imperialist rich countries have given some help to developing countries which has been valuable to them and has not damaged

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<sup>39</sup>*Ibid*, p70.

<sup>40</sup>Lappe et al. *Aid as Obstacle*. San Francisco, 1980.

their interests, nor blanket support, for some aid has been damaging, he must be selective and discriminating, and accept the greater demands that such an approach will involve."<sup>41</sup>

As we can see from the above quotation, Judith Hart was at pains to distance herself from those with whom she might have shared a common premise, that aid for much of the time is little more than an agency for donor country neo-imperialist interests, but with whom she parted company over the conclusion that aid as it is presently constituted with strings and conditionality should be rejected. As we noted above, Teresa Hayter was perhaps the best-known advocate of this view in Britain in this period through her book, *Aid As Imperialism*<sup>42</sup>.

She subsequently clarified her views on this question in more recent times and advocates a position which takes account of the state of the domestic opposition within repressive Third World regimes: where a given domestic opposition is well organised and is itself demanding the cessation of aid, she advocates that this should be so; where there is little organised opposition and little prospect of change then ways and means should be found for getting aid through to the poorest groups within a given country on humanitarian grounds. In fact this would appear to represent a gravitation towards the conception of ideologically-motivated morality which adopts different forms according to the intensity of social contradictions outlined above.<sup>43</sup>

As Riddell has noted, other writers such as Myrdal and Seers would appear to have gravitated from the opposite direction of having supported aid in the 1950s and 1960s to a far more pessimistic view of the impact of aid, but without seeing any alternative to continuing with it because its withdrawal would hit the poorest hardest. Mende would appear to have always held the view that aid was a means of promoting market forces in the South and that the rules of the market are inevitably loaded against its interests. He too can see no alternative to its continuation, however, and argues that there are no easy options; neither is there much prospect of rapid change in the terms and targeting of aid. He argues that external aid has little impact on actual development and that only the mobilisation of domestic resources can achieve this.<sup>44</sup>

In the early 1980s the shift in policy under the Thatcher Government towards commercial and political priorities highlights the fact that there are many in the Conservative Party (and undoubtedly the Labour Party also) who believe that national self-interest is paramount, irrespective of moral considerations or the efficacy of aid. Moral considerations do not exist beyond the shores of one's nation, according to this argument. This view is what actually shaped aid policy under Thatcher led by the export lobby not crucially the ideas of Bauer, as he readily admits. Bauer speaks of the vested interests of the export lobby and the aid bureaucracy itself as being dominant.

The Brandt reports – the first of which coincided with the election of the Thatcher Government – on the other hand, attempted to bridge the gap by appealing to both moral criteria and "enlightened" national self-interest, stressing the existence of "mutual interests"

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<sup>41</sup>Hart, J. *Op cit*, p243.

<sup>42</sup>Hayter, T. *Aid as Imperialism*. London, 1970.

<sup>43</sup>Hayter, T. "Solidarity, Not Aid". In *World Economy In Crisis*. Paper submitted to the Conference of Socialist Economists, July 1983.

<sup>44</sup>Seers and Myrdal. *The Guardian*, 2 July 1982; Mende, T. *From Aid to Recolonisation: Lessons of a Failure*. London, 1973, p160. Quoted in Riddell. *Op cit*, pp48-53.



of both the North and the South. The increasingly global nature of many issues as a result of the increasing ability, through technological development, of one nation to affect the interests of other nations means that all nations are forced to relate to each other and agreements become necessary to regulate conduct. As the first Brandt report put it:

"We are increasingly confronted whether we like it or not, with more and more problems which affect mankind as a whole, so that solutions to these problems are inevitably internationalised. The globalisation of dangers and challenges – war, chaos, self-destruction – calls for a domestic policy which goes beyond parochial or even national items... energy to ecology, from arms limitation, to redistribution of employment, from micro-electronics to new scientific options... everywhere there are people who see their whole planet involved... in the same problem of energy shortage, urbanisation with environmental pollution, and highly sophisticated technology which threatens to ignore human values and which people may not be able to handle adequately."<sup>45</sup>

Aid and development policies which promote unrestricted growth of exports in the Third World as a means of promoting debt repayments, which in turn led to environmental consequences in terms of the depletion of non-renewable natural resources, desertification and deforestation, cannot be sustained even as a nationally self-interested policy in the face of the increasing awareness of planetary inter-dependence among the world's population. Sustainable development policies become ever more necessary with each example of Third World environmental catastrophe from the Sahel to the Amazon.

In practical situations most politicians have to balance national self-interest against public conceptions of the need to aid the world's poor. Most aid lobbyists take some account of national self-interest also although the balance is different. For many who would deny any moral responsibility on the part of governments, individual charity is seen as the proper medium for aiding the world's poor. The use of aid funds to further the commercial or political interests of the donor government is seen as perfectly legitimate, according to this view, and, indeed, the use of aid funds could not be sanctioned unless such national interests were seen to be being promoted.

We have seen in the chapter on the Thatcher Government that aid policy was to be tied more closely to "industrial, commercial, and political considerations". We saw also that no contradiction between this and development was acknowledged in any Ministerial pronouncements. In terms of stated policy then, the balance between national self-interest and international governmental moral obligations shifted towards the former under the Conservative Government. The very fact that the Thatcher government could actually come out openly and state so baldly that this shift was to take place must surely be related to a greater acceptance on the part of this government of the general primacy if not exclusivity of national interests over international moral obligations. The extent to which national interests could be publicly stated to be of prime importance in the politically and morally sensitive context of aid, however, was limited by public opinion. This point was effectively acknowledged when Peter Bauer said the aid should ideally be abolished altogether but that this was not politically possible in the *Times* article referred to above in the chapter on the Conservative Government.<sup>46</sup>

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<sup>45</sup>Brandt Commission. *North-South: A Programme For Survival*. 1980, p20.

<sup>46</sup>*The Times*, 5 February 1980, p14.

Mrs Thatcher has let the cat out of the bag on at least one occasion, as we have seen, when she made the following statement which, while apparently acknowledging international moral obligations on the part of the government, cites more pressing domestic obligations as a reason for not doing more for the Third World.

"It would be a nice position if one were to be able to make enormous handouts for overseas aid, but we must give our own people priority first."<sup>47</sup>

The same article went on to say that Conservative backbenchers were reported to have suggested that Mrs Thatcher's remark disclosed her true attitude towards overseas aid.

Statements in the Commons are one thing; public utterances outside Parliament are usually couched in more diplomatic terms, to the effect that commercial and developmental objectives do not conflict and that this is merely a form of "enlightened self-interest".

Once again the same arguments apply: the question of whether national interests come first or not is being made less relevant in the wake of the globalisation of issues as a result of growing interdependence. Ministerial statements, under the Thatcher government, that aid budgets could not be increased until the British economy was back on an even keel, together with the policy shift towards commercialisation of aid reflect, at root, a parochial preoccupation with domestic priorities as if Britain could afford to ignore the effect which such policies have on the global context.

The way the environmental problem has been perceived has changed since the advent of the Labour Government in the mid-seventies. In the sixties and early seventies environmental problems were identified as bad housing, poor sanitation, poor health care etc. In recent years we have seen the shift towards global warming, soil erosion, deforestation etc. There is a different perception of the environmental problem. This should be borne in mind in assessing the environmental credentials of the two governments we are assessing.<sup>48</sup>

Gavin Kitching has noted that many modern development and environmental concepts are in the tradition of nineteenth-century romanticism, utopianism and populism. The romantic poets Blake, Shelley and Wordsworth wrote passionately about the "dark satanic mills" and rejected large-scale industrialisation. They glorified rural life, rejected urban life, and many of these ideas can be seen in the modern environmental and development movement. Populism counterposes small-scale agricultural and artisan communal life to large-scale capital intensive industrialisation. Many ideas of the development lobby are very reminiscent of the tradition of Proudhon, Robert Owen, the Ricardian socialists, the Russian populists.<sup>49</sup>

A good example is the idea of "appropriate technology" which was particularly fashionable in the late 1970s under the Labour Government. Recent writers such as Schumacher, with his concept of "small is beautiful", and Lipton's polemic against "urban bias" in favour of small-scale agricultural peasant enterprises, also exhibit this approach. A theme which runs through these views is the idea that in context of capital shortage and labour abundance in most Third World countries the priority should be to create employment for people through labour-intensive enterprises. Economic arguments are also presented which argue that these

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<sup>47</sup>Reported in *The Times*, 25 February 1981, p6.

<sup>48</sup>Hunt, G. "Is There a Conflict between Environmental Protection and the Development of the Third World?" In Attfield, R and Wilkins, B (eds). *International Justice and the Third World*. London, 1992. pp118-150.

<sup>49</sup>Kitching, G. *Development and Underdevelopment in Historical Perspective*. London, 1982.

countries should take advantage of their cheap labour supply. The ILO is cited as an example of an institution which argues for promoting a similar approach: it argues for small-scale, labour-intensive, peasant and artisan enterprise as a way of generating employment, and arguments are presented which claim that such enterprises are in practice more efficient than large-scale capital intensive enterprise. It argues against protectionist measures, overvalued exchange rates and import substitution which, it argues, create inefficient enterprises which are not competitive in the world market. This is also the policy of the IMF and the World Bank. Mosley argues something similar.

The populist approach, which, as we have noted, is very prevalent in today's development and environmental movement, puts forward essentially the idea that what is needed is not a direct challenge to the whole world capitalist system, but an "alternative" within the existing system. In this sense it is "utopian" in the tradition of Owen and the other utopians. In the Third World this approach in some ways may be seen as suiting the interests of Northern industry, which does not want the growth of an efficient large-scale industry in the South which would compete with it in the world market. A policy of devaluing exchange rates in the South, making it harder to import the inputs necessary for industrialisation, and dismantling protectionist measures argued for by the ILO, IMF and World Bank is thus in line with interests of the North.

The populist approach, which argues against large-scale industrialisation in the context of the developing world thus plays into the hands of Northern neo-colonial interests. The populist perspective differs sharply from a socialist perspective in relation to this question. From the standpoint of socialist ideology, it is crucial that the South has access to technological developments in industry so that it can benefit from the improvements in technique and efficiency. The issue is not so much whether there should be large-scale, capital-intensive, high-tech industrialisation or not. It is rather whether this large scale, high-tech industry should be used to accumulate for the sake of accumulation, as it does within a capitalist system, displacing labour from employment in the search for increasing profits; or whether it should be used to meet human need by utilising the more efficient technology to reduce the burden of labour on a retained work-force in a society where the means of production is collectively owned. The objective for those wanting a poverty-focussed aid programme is: to combine a policy which is aimed at meeting the needs of the rural poor while avoiding policies which obstruct the development of technological progress in industry.

Most developed nations used protectionism in the initial phase of their industrialisation, Japan being a recent example. Populism, however, essentially argues that there is a "third way" between an economy based on the private sector and one based on nationalisation of the means of production. It is a characteristic of radical nationalist movements in the Third World. It is also characteristic of elements of the radical intelligentsia in the development and environmental movement in the North which generally rejects both capitalism and the possibility of centrally-planned economies based on working-class democracy. An example of this in the Third World was the statement made by Castro prior to the statification of the means of production: "We are neither capitalists nor communists."<sup>50</sup> It was also exemplified by the economic and foreign policies of the Sandinistas which did not, like the Cubans, go on to expropriate the private sector, but continued to defend a mixed-economy and a non-aligned foreign policy.

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<sup>50</sup>Castro's intentions were not realised, however. The actions of the US and the existence of the USSR provided the necessity and basis for the expropriations subsequently. The decline of the global power of the USSR likewise was a factor in Nicaragua's evolution.

There have been disputes over the question of development priorities versus environmental priorities an example of which is the dispute within the planning team for the ODA's Western Ghats project (see chapter on environment). The Green Parties have put forward the proposal of zero growth as the only solution to the environmental problem. They locate the problem in "industrialism", "materialism" and "consumerism". The issues are often posed in terms of the human race versus nature and the notion of the class struggle is often rejected. The solution to the crisis of the environment is consequently to abandon "industrialism" and to change life-styles: people in the North must become less materialistic, consume less etc. and people in the South must abandon their notions of industrialisation. The planet cannot sustain the total population of the world living the same standards of living as the North currently does etc. Instead an alternative of small-scale rural or urban artisan communal life is suggested in the classic populist fashion.

Geoffrey Hunt criticises the perspective of the Green Parties in Britain and Germany from a socialist standpoint advocating a participatory model of socialism which draws on the writings of those "neo-Marxists" such as Samir Amin whom he claims have shaken-off the confused "circulationism" of the earlier dependency school personified by Andre Gunder Frank. Analysing the writings of the Green Parties he identifies a left represented by Rudolf Bahro and a right identified with Jonathan Porritt (who has since resigned from the leadership of the British Green Party). He describes the policies of the Green Parties as "vacillating between Utopian communalism and social democratic realpolitik". The mainstream leadership of the British Greens represented by Porritt has historically not questioned private property in the means of production or opposed capitalism as such (although it is unclear what is the current view of the new leadership after the resignation of Porritt). To the argument that the world cannot sustain the industrialisation of the South and that growth must be curtailed, Hunt counterposes a distinction between the growth based on profit and competition under capitalism and growth linked to meeting human need:

"A divorce arises between collective human good and the ends of production when the social product is compelled to feed increased production as its end, i.e. when accumulation becomes an end in itself, a self-expanding process. This process which is an autonomous appropriation of the product of human creativity at the same time that it is an autonomous appropriation of nature, arises not as a conscious abandonment of control over production but as a result of a structural constraint on the now atomised units of production. The constraint is competition. In competition owners of capital are compelled, if they are to remain competitors at all, to maximise profits and this becomes for each an end in itself which when aggregated emerges as so-called economic growth. This aggregate may overlap with the satisfaction of collective human good but need not, for human good is only one profit-satisfying means among others. What is indifferent, evil or even self-destructive in the long term may be more profitable."<sup>51</sup>

Exhortations to consume less in the North proposed by Porritt ignore the question of the need for redistributive measures in the North and the South alongside the need to disengage production from accumulation for accumulation's sake and focus it only on production for need. To say that the North consumes too much ignores the wide differences in living standard within both North and South and the need to redress these inequalities. Instead of relying simply on moral exhortations to consume less and for the South to disengage from the world market and withdraw into the populist autarchy of small-scale peasant and artisan

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<sup>51</sup>Hunt, G. *Op cit*, p135-136.

enterprise, the socialist perspective is for working class struggle in the North and in the South for redistribution of wealth and the disengagement of production internationally from the blind, wasteful accumulation for profit.

Another moral issue relating to women and development aid is the question of the extent to which strategic social objectives should be explicitly incorporated into aid projects. Some projects aimed at women are of the basic needs sort: for example a primary health care centre. Other projects may be more strategic and seek to empower women in various ways. In some societies which have religious ideologies which keep women secluded and which regard the involvement of women outside of domestic life as dishonouring themselves and the family, the more strategic objectives come up against very stiff resistance.

Allegations of cultural imperialism and foreign tampering with another culture are common. A related question is the extent to which aid agencies should declare their strategic objectives when proposing particular projects. These objectives are often not disclosed to community leaders because making them explicit might jeopardise the project although it is more common to disclose them to national bodies. An element of deception is often the result.<sup>52</sup>

A debate has been going on between the ODA and a women's lobby organisation, the National Alliance of Women's Organisations (NAWO), on this very question. A paper submitted to the ODA by NAWO on the question of population and family planning policy raised this issue in the following way:

"The problem of imposing our own values on others must be addressed. This is a problem with any aspect of aid, yet it is in relation to reproduction that it is constantly raised. Why is it that reproductive norms are so closely associated with culture? Whose culture is it anyway – that of the dominant groups in society or of the women condemned to continuous childbirth? The emphasis should be on enabling women to choose rather than telling them how many children they should have."<sup>53</sup>

NAWO have been particularly concerned to ensure that the ODA does not hide behind the question of recipient country culture and it has insisted that this question should be taken up by the ODA in a positive way arguing that to do otherwise would be to accept patriarchal culture. As the paper notes the ODA is not averse to policy dialogue on other economic and political questions, but is perhaps a little hasty to raise culture as an obstacle when it comes to family planning. Elsewhere in this thesis criticism is made of the ODA for putting forward the population problem as the major cause of poverty and environmental destruction in the Third World. At the same time it is obviously important to give women the right to control their own fertility.

There is a danger, however, of introducing conditionality along the lines of green conditionality, which is also criticised elsewhere in this thesis. As the above paper says:

Population policies are a tool; they can be used to oppress, but they can also liberate. Like any development strategy success depends on the motivation of those implementing it. We cannot continue to deny women the benefits of

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<sup>52</sup>Gascoigne, L. "Finding Ways of Working with Women in Patriarchal Societies". In Wallace, T and March, C. *Changing Perceptions*. Oxford 1991, p304.

<sup>53</sup>Woodroffe, J, Monkman, S, Goldsmith, J. *Population: Contraception, Family Planning and Women's Rights*. Unpublished Discussion Paper submitted by NAWO to ODA, November 1990.

good policies because they have been abused in the past. Nor can we ignore the issue because it seems riddled with stigma and preconceptions. Population policies must be reassessed from the perspective of women.... Certainly coercion has taken place in the name of population control. There are those who want to limit the number of people in the Third World from racist or political motives."<sup>54</sup>

For the same reasons put forward in opposition to green conditionality, in a context in which official aid is dependent on structural adjustment and other types of conditionality it is mistaken to imagine that official aid can be a progressive force in general in terms of women. How can a governmental aid agency of a society like Britain which is shot through from top to bottom with institutionalised sexism, racism and class oppression itself presume to liberate the Third World from these evils? We have already seen how low is the number of projects which can be classified as even WID-integrated let alone WID-specific (see chapter on women) within the ODA aid programme itself.

This should not, however, prevent the women's movement and the development lobby in Britain from struggling to remove as many strings as possible from aid as it is currently constituted because it is clear that recipients will continue to use official aid. It is thus necessary for those who solidarise with Third World women to continue to extract as many concessions as possible on their behalf while warning them of the ulterior motives behind official aid and of the need to avoid its use where possible.

An interesting debate has taken place between Oxfam field staff on the question of gender and the problem of culture and the legitimacy of intervention by the women's movement in the North. One of these contributions put forward the following view:

"Why is it that challenging gender inequalities is seen as tampering with traditions of culture and thus taboo, while challenging inequalities in terms of wealth and class is not? What if we accept the taboo? If we accept that challenging gender inequalities is taboo then we can only support projects and programmes aimed at making life easier for women and helping them in their given tasks. Would this approach be acceptable? If we look at Oxfam's history it can be seen that Oxfam gave up this 'sticking plaster' approach to its work many years ago, as it became obvious that it was not providing real, long term help to the poor. Oxfam now aims to support projects which identify and remove the root causes of poverty and exploitation... thus to take the 'easier life' approach to gender development would be contrary to the rest of our work and quite unacceptable."<sup>55</sup>

This line of argument is further developed by another Oxfam field worker who highlights the oppressive aspects of Third World cultures in relation to women and the need to challenge it, including the law.

"It is indisputable that, historically, religion and the law have given power to men. Therefore the inequality with which we now live is approved by

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<sup>54</sup>Woodroffe et al. *Op cit*, p3.

<sup>55</sup>Mehta, M. "Gender, Development and Culture". In Wallace and March. *Op cit*, p286.

tradition, religion and also the law. This has created a sort of mental oppression."<sup>56</sup>

Onora O'Neill has highlighted the fact that the theories of justice which underpin the law both North and South do not address themselves to the predicament of women. These theories are either "idealised" in the sense that they abstract from the particularities of human kind in the name of being dispassionate and thus do not address the predicament of women; or they are "relevatised" in the sense that they do take account of variety and differences among human kind but they relegate women to a 'private' sphere where justice is said to be not relevant. They thus endorse institutions which exclude women from public life where justice is said to be relevant as well as see justice as only applying within national boundaries. The upshot of this is that:

"Both idealised and relevatised accounts of justice look inadequate from the perspective of those whom they marginalise. Women, in particular poor women, will find that neither approach takes account of the reality of carrying both reproductive and productive tasks as well as having relatively little control over the circumstance of one's life. Women's lives are not well conceived just as those of idealised individuals. A world of such individuals assumes away relations of dependence and interdependence; yet these are central to most lives actually available to women. Nor are women's lives well conceived solely in terms of traditions which relegate them to a 'private' sphere. The productive contributions and cognitive and practical independence of actual women is too extensive, evident and economically significant to be eclipsed by ideologies of total domesticity and dependence."<sup>57</sup>

This brilliantly captures the predicament of women in relation to the law. She also goes on to spell out the implications for Third World women of the tendency of justice to be regarded as only relevant within the borders of a particular country in a way which implicitly challenges the notion that the Northern women's movement has no right to "tamper" in the culture of a Third World society.

"The awkward fit of theory to actuality is most vivid for women in poor economies. These women may depend on others but lack the supposed securities of dependence. They are impoverished but are often providers. They are powerless, yet others who are yet more vulnerable depend on them for protection. Their vulnerability reflects heavy demands as well as slender resources. They may find that they are relegated to and subordinated within a domestic sphere whose separate and distinctive existence is legitimated not by appeals to justice but by entrenched views of family life and honour. They may also find that this domestic sphere is embedded in an economy that is subordinate to distant and richer economies. They not only raise children in poverty; they raise crops and do ill-paid and insecure work, their rewards fluctuating to the beat of distant economic forces. This second subordination too is legitimated in varied discourses which endorse an internationalised economic order but only national regimes of taxation and

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<sup>56</sup>"Strategy for the Liberation of African Women: the View of a Feminist Man". In Wallace and March. *Op cit*, p289.

<sup>57</sup>O'Neill, O. "Justice, Gender and International Boundaries". In Attfield and Wilkins. *Op cit*, p51.

welfare. A serious account of justice cannot gloss over the predicaments of impoverished providers in marginalised and developing economies."<sup>58</sup>

From this point of view, it can be seen that citing the existence of a distinctive Third World culture is insufficient to argue that the Northern women's and development movement have no right to "tamper" with that culture. It is a culture dominated by patriarchal interests. The same argument is made in Britain in relation to women, lesbians and gays struggling against fundamentalism in Britain's various religious/ethnic communities. For example, lesbian and gay issues are often portrayed as a "white perversion" by certain black nationalist currents. Women's issues similarly have historically been seen as a "middle-class" issue which is a diversion from the class struggle by certain trade union-minded leftists. Such arguments are misguided, but at the same time it is necessary for any Northern-based grouping which wishes to assist women struggling for liberation in the South to be sensitive to the imposition of their own values in a mechanical and ethnocentric fashion.

We can conclude this chapter by briefly summarising the shifting influences on government aid policy during the period we are surveying. We have seen that in the case of Harold Wilson a straightforward moral basis for aid giving was asserted in his book, *War on World Poverty*. In the case of Judith Hart, his most dynamic and committed aid Minister, a more ideological basis for aid was in evidence in her book, *Aid and Liberation*. The extent to which they were able to realise their objectives was circumscribed by the economic crises which they encountered in office and the austerity which was forced upon them by the IMF.

Under the Thatcher Government, aid policy has been influenced to a degree by the anti-aid policies of Lord Bauer and other writers of a similar outlook. The strength of the churches, the development agencies, and public conceptions of the need to do something to combat extreme poverty, particularly when it has been in evidence in the media, as well as the strength of the pro-aid export lobby within the Conservative Party, limited the extent to which aid could be wound down altogether. The eruption in particular of the Ethiopian famine on the nation's television screens created a climate in which it was not politically possible to reduce the aid budget at the rate that the Conservative Government's ideological and philosophical predilections might have dictated.

Similarly, the growth of public awareness of "green issues" as they relate to aid policy in the late 1980s created another constraint on government choices. This was based on a revival of populist sentiment which was distinct and indeed on some questions counterposed to a socialist perspective in relation to the environment and development. These conceptions represent in many cases a view that there is a "third way" between capitalism and centrally-planned democratic socialism, in which the class struggle is replaced by struggle between the human race and nature and in which working-class struggle for redistributive measure North and South is replaced by a voluntaristic notion of consuming less and more ethically in the North. This also includes a rejection of materialism alongside an advocacy of self-denying policy in relation to large-scale industrialisation in the South. The Green Parties in Europe have vacillated in their ideology between Utopian communalism and social democratic pragmatism and this has culminated in the recent resignation of the leadership of the British Green Party. The differences in perception of environmental priorities over the period being studied has shifted from housing, health and sanitation issues under Labour in the 1970s to deforestation and global warming and soil erosion in the 1980s under Thatcher. Such shifts reflected the rise also of an articulate environmental lobby which put the latter issues on the agenda in way that they did not in the 1970s.

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<sup>58</sup>*Ibid*, p51-52.



The debate around moral issues in relation to providing aid to women in the Third World has focused particularly on the issue of the rights and wrongs of people in the North "tampering" in sensitive areas of Third World culture such as family planning and more strategic goals of empowering women in societies where they are often secluded. It can be seen in the light of the above discussion of these issues that these cultures often reflect the traditions of one part of Third World societies, namely men, and that women have not formulated this culture. They are nevertheless the victims of these cultures and, in particular, of the system of justice which either does not address their predicament because it deals with an abstract notion of equal citizens before the law or relegates them to a domestic sphere where notions of justice do not apply. Similarly, the law does not recognise justice outside the borders of a particular country despite the fact that economic life which affects Third World women exists on a multinational basis. Our analysis suggests that the Northern women's movement has every right to intervene into Third World patriarchal culture to assist women in these communities, providing this is carried out in a way which is sensitive to problems of ethnocentricity.

## Chapter 3

### British Aid Policy Under the 1974-79 Labour Government

This period began with the oil price crisis of 1973-74 and set the scene for the rest of the decade in terms of the general balance of forces between North and South, the catastrophic effects on non-oil exporting developing countries and the ability of the developed countries to sustain aid programmes. The fact that a group of developing countries had been able to raise the price of their main export commodity by concerted action against the wishes of the industrialised North, led to a growing realisation in British political circles of the inter-relatedness of aid, trade and debt. As the Chair of the Select Committee on Overseas Development noted in a House of Commons debate in 1977:

"Let me make plain where the Select Committee stands. We are not solely concerned with surveying the aid programme. We see trade as a vastly more effective instrument than aid in promoting development. That is why we have been studying not only aid policy but the total impact of British trade, investment and aid practices on the economies of the developing countries."<sup>59</sup>

The efforts of the Third World countries to end the recent sharp price fluctuations of their basic export commodities (whilst the prices of Northern manufactured exports climbed steadily), through the Group of 77 and UNCTAD, were brought into sharp relief by the success of OPEC in quadrupling the price of oil. As one MP noted in the same House of Commons debate:

"Some of the schemes which individual producer associations are designing will be designed against us if as consumers we do not join in. The most obvious and important example is oil."<sup>60</sup>

The other important events which set the scene in this period were the major famines in Ethiopia, the Sahel and Bangladesh in 1972-74 which, coming as they did at the end of the first "Development Decade", demonstrated that the "trickle down" model had failed to stop the poorest from starving.

In this context, the World Bank attempted to redefine the development agenda in 1973 by its decision to:

"Shift the emphasis from efforts aimed at promoting simple growth to an attempt to improve the output of the small farmer, principally by increasing those investments that would benefit lower income groups in the rural areas."<sup>61</sup>

A number of left-wing analysts (e.g. Hayter, Watson, Payer and Moore Lappe) have seen the above shift to the small farmer, rather than the landless, as being indicative of a preoccupation with creating a conservative layer of middle peasants which would act as a

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<sup>59</sup>*Hansard*, 13 June 1977, c38.

<sup>60</sup>*Ibid*, c98.

<sup>61</sup>Yudelman, M. "Agriculture in Integrated Rural Development – The Experience of the World Bank". *Food Policy* (1976).

buffer against social and political upheaval, rather than as a genuine attempt to eradicate poverty. See, for example, Hayter T and Watson C. *Aid: Rhetoric and Reality*. London, 1985, p152.

The Ministry of Overseas Development had been set up in 1964 under Barbara Castle, who was given a Cabinet position. This Cabinet status was lost in 1967 and was only temporarily restored as a personal gesture to Reg Prentice, who was allowed to remain in the Cabinet when he agreed to take over the Ministry in 1975. The status of the Ministry was further eroded when the 1970 Conservative administration downgraded it from a Ministry to a Department of the Foreign Office. The election of the 1974 Labour Government led to the reinstatement of the Ministry of Overseas Development with Judith Hart as Minister of Overseas Development (for the second time) but without Cabinet status. The Ministry was again down-graded to a department of the Foreign Office, this time by a Labour administration. Looking back on this period, Judith Hart identified her main achievements as being the following:

- (i) The shifting of the emphasis away from the 'trickle-down' approach towards an attempt to increase the purchasing power of the poorest in the recipient countries based on a Keynesian strategy of creating income generation needed for growth.
- (ii) The increase in the volume of aid as part of an attempt to reach the 0.7 per cent of GNP target. By 1979 the volume of aid was 0.52 per cent of GNP and she regarded this as a major achievement at a time when the IMF had to be called in to help the British economy and public expenditure was being cut.
- (iii) The creation of a rural development department within the ODM. This was never given the leeway to develop by the civil servants according to Judith Hart and therefore did not develop in the way it might have.<sup>62</sup>

The first White Paper emanating from the new Ministry set out a new policy on development which was heavily influenced by the recent shift in World Bank policy mentioned above. Entitled, "More Help for the Poorest," it stated its objectives as being

- "a) to give an increasing emphasis on our bilateral aid towards the poorest countries, especially those in the group most seriously affected by the rise in the price of oil.
- "b) to give a special emphasis to programmes oriented towards the poorest groups within these countries, and especially to rural development".<sup>63</sup>

During the drafting of this White Paper, which was inspired by Judith Hart, a crisis occurred when, in the aftermath of the EEC referendum split in the Labour Government, Wilson reshuffled his Cabinet, removing some of his anti-Market opponents from key Ministries into less important ones. Tony Benn, for example, was sacked from the Department of Trade and Industry, where he had been piloting the controversial Industry Bill through the House of Commons, and was offered the Department of Energy (which he accepted).

Judith Hart was asked by Wilson to move from the ODM (which lost its independent status as a Ministry) and was offered the Ministry of Transport. She was not prepared to be

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<sup>62</sup>Interview with Judith Hart. 8 January 1991.

<sup>63</sup>Ministry of Overseas Development. *The Changing Emphasis in British Aid: More Help for the Poorest*. Cmnd 6370, 1975, p7.

shunted away so soon from a Ministry to which she was so clearly committed, and while she was in the middle of drafting the most important policy shift for decades, to a department which held little interest for her. She regarded the loss of Ministry status as a reneging by Wilson on the Manifesto commitments to maintain the independence of Overseas Development from the FCO. In consequence of this, she refused the Ministry of Transport and resigned from the government. Her resignation statement to the House of Commons said:

"I regret the Prime Minister's decision to deprive my Ministry of its independence, whatever the change in the status of its Minister. It is my Ministry that is the real loser. Frankly, I can see no reason for the Prime Minister to sack me from my Ministry. I would have enjoyed the opportunity to develop my policies with my colleagues within the European Community."<sup>64</sup>

Despite the fact that Judith Hart was not a member of the Cabinet, while she was Minister for Overseas Development she was allowed, as Minister in charge of a department, to attend Cabinet Public Expenditure meetings to argue her case. She did not feel in any way handicapped by being out of the Cabinet. When she returned to the post in Callaghan's administration, the ODM became a department of the Foreign Office but this was not seen as a major problem:

"When I came back in '76 the Minister for Overseas Development was under the Foreign Office, but that didn't make any practical difference. David Owen didn't interfere. I went on being my own person entirely throughout the '70s. The Foreign Office was not involved unless we were having a little argument about aid to Vietnam or something like that... You could put in a paper and you could come to the Cabinet meeting. I think they thought they had someone slightly formidable and they let me do my own thing – both Harold and Jim were very favourably inclined."<sup>65</sup>

Reg Prentice, a pro-Marketeer (and, like Judith Hart, a former Minister of Overseas Development in the 1964-70 Labour Government), was given the Ministry of Overseas Development and was allowed to retain his existing membership of the Cabinet. He continued to draft the White Paper begun by Judith Hart.

In making its case for the shift in British aid policy, the White Paper outlines, in greater detail, its general objectives. It speaks about the need for:

"...equitable and fair distribution of wealth... increased agricultural production... a balance between individual consumption, investment and improvements in communal social services... the need to minimise the displacement of labour... greater emphasis on projects to benefit... small farmers and labourers."<sup>66</sup>

The White Paper was debated at length in both Houses of Parliament which, as several members noted, were the first such debates on Overseas Development for three years.

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<sup>64</sup>*Hansard*, 11 June 1975, c418.

<sup>65</sup>Interview with Judith Hart. 8 January 1991.

<sup>66</sup>Ministry of Overseas Development. *Op cit*, p16-17.

The Commons debate was characterised by a large degree of agreement across the party spectrum, although the attendance was described as "appalling" by one MP and the debate was dominated by a small group of MPs with a special interest in aid and development. There was no one present from the anti-aid lobby, either from the Right or the Left, and the main area of strategic discussion was between those defending the "trickle down" model and those defending the "basic needs" approach of the White Paper, but even here the debate was not characterised by any sharp differences of opinion. Rather, it was a question of one or two MPs being concerned that the formidable difficulties of getting aid through to the poorest might lead to a slower rate of disbursement than if the money was disbursed for more easily realisable projects which would, in turn, release resources within the recipient countries for rural development. The attack from the anti-aid lobby on the White Paper came from outside Parliament in a number of press leading articles, notably *The Daily Telegraph*, which said that the aid "will be largely wasted by politicians and bureaucrats."<sup>67</sup>

The White Paper was generally well received in both Parliamentary debates. However, a number of telling criticisms were made by a number of MPs and Lords.

Sir Bernard Braine, the Chairman of the Commons Select Committee on Overseas Development, made a series of criticisms which went right to the heart of the problems within the White Paper and are, therefore, worth quoting in some detail. Firstly, he drew attention to the ambivalence of the White Paper on the criterion of recipient country need versus the political and commercial interests of Britain as the donor, quoting a number of passages to illustrate this problem. He made the point that, despite the fact that paragraph 6 of the introduction to the White Paper stated that, "the criterion used by Her Majesty's Government's aid policy is primarily that of need," it also went on to state that there were other, "wider considerations", which, more specifically, included, "political and commercial factors....whose significance will, of course, vary with time and circumstance."

Later on, in paragraph 13 of Chapter 1V it further stated that:

"Other relevant factors (for example, political or commercial arguments) have to be given their proper weight."

Sir Bernard commented that:

"Those factors are not discussed in the White Paper. As a result, we are given no concrete indication of the extent to which the British political and commercial policies are likely to conflict with the criterion of need, nor how much weight will be given to need where there is such a conflict...What does this mean? Perhaps the Minister will tell us?"<sup>68</sup>

Sir Bernard's second point was that the White Paper failed to state specific targets for the proportion of British aid which would go to the poorest countries which would have given substance to the claim to a "changing emphasis", although he recognised the difficulty of providing targets for sectors. When the Minister intervened to remind him of the figure he had given in his earlier statement to the Commons in the course of the debate, Sir Bernard replied:

"I heard the Right Hon. Gentleman say that, but I am criticising the White Paper, which had to be agreed between Ministers. It does not mention the

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<sup>67</sup>*Daily Telegraph*. Editorial, nd (quoted by John Grant MP in *Hansard*, 7 November 1975, c843.

<sup>68</sup>*Hansard*, 7 November 1975, c803.

figure. I have no doubt where the right hon. Gentleman's heart lies in this matter. I should have preferred to see the proposition stated in the White Paper. I should like to see the Minister standing up there with a White Paper which represents everything that he and the rest of the House stand for, because 90 per cent of us are completely with him on this."<sup>69</sup>

An even more telling criticism related to "local" and "recurrent" costs. Sir Bernard referred to the following passages in the White Paper.

Paragraph 8 of Chapter III stated:

"Aid programmes designed specifically to help the poorest sections of the community are likely to involve a high proportion of projects where most of the money involved has to be spent on local wages and local materials and equipment."

Paragraph 10 went on to say:

"It is also likely that many projects aimed at helping the poorest sections of the community will involve recurrent costs."

In contrast to this, in paragraph 9 of the White Paper it said:

"We are ready to consider allowing in exceptional cases a limited part of our financial aid to meet local costs of individual projects."

And in paragraph 10 an even bleaker prospect was painted for recurrent costs:

"Most donors...are normally unwilling to provide local costs to cover recurrent expenditure."

Sir Bernard concluded from this that:

"It seems clear to me that on both local costs and recurrent expenditure the right hon. Gentleman has lost a battle with the Treasury. Unless he can regain that lost ground, his efforts to devote more aid to the rural sector and to the poorest groups generally are likely to be frustrated."<sup>70</sup>

The significance of this lay in the fact that the Treasury had the final say so on something which was crucial to the whole "Changing Emphasis" approach. Evidently, balance of payments considerations, always uppermost in the priorities of the Treasury, dictated that funds for local and recurrent costs, which would have no return in terms of orders for British firms, would be largely excluded.

His final criticism relates to the failure of the Minister to include in the White Paper his frank recognition in the Commons debate of the "pitifully inadequate" contribution which Britain makes in terms of the volume of its aid.

None of these points were answered by the Minister or his Parliamentary Private Secretary who replied to the debate on his behalf.

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<sup>69</sup>*Ibid*, c805.

<sup>70</sup>*Ibid*, c806.

Some of Sir Bernard's criticisms were echoed by Lord Reay, a recently retired Permanent Secretary in the Ministry of Overseas Development, in the debate in the Lords several months later. These are again worth quoting at length because they went right to the heart of the problems within the White Paper. On the question of targets for the "Changing Emphasis" strategy, he had this to say:

"There are no concrete illustrations either of how this new strategy – and it is, after all, the whole argument of the White Paper that a new strategy has been adopted – will affect the distribution of aid as between countries and/or sectors within different countries. Without this, one is left in the dark about the practical consequences of adopting this new strategy."<sup>71</sup>

Approaching the question of the effects which a switch to rural projects would have on British commercial interests from a slightly different angle to Sir Bernard Braine, he nevertheless points to the same balance of payments dilemma:

"There is no indication, either, of what effect the adoption of this strategy will have on the practice of the tying of bilateral aid. For example, will a concentration on rural development projects – which is one of the themes of the White paper – mean that less aid is tied to the purchase of British goods which might on the face of it be likely since aid is tied to capital goods purchases, and these are more likely to be required for capital-intensive projects which, of course, rural development schemes are designed not to be?"<sup>72</sup>

In addition, Lord Reay raised a further criticism of the White Paper in relation to debt and the lack of any figures for the interest payments paid by developing countries on past loans from Britain. He concludes by criticising what he calls a political error of presenting the objectives in a grandiose, "imperial" style raising expectations which the slender resources available cannot fulfil.

During the Commons debate, Frank Hooley MP made a useful contribution which compared the proposals in the White Paper with the demands of the Third World countries represented by the Group of 77 in a number of recent international fora and, in particular, the Special Session of the United Nations in April 1974, at which the Group of 77 put forward the idea of a new international economic order. The issues discussed included control over its members' resources, producer associations to control raw materials prices, industrialisation, the transfer of money and technical resources from richer countries to poorer ones and a bigger share in the control of the international monetary system. In making these comparisons he presented the Commons with a means of gauging the extent to which the White Paper met these demands.

Mr Hooley pointed out that on the question of trade, the White Paper accepted the case for access to Northern markets and supported, with reservations, the Generalised Scheme of Preferences worked out by Common Market members. On stable commodity prices, it supported the Commonwealth proposals in the McIntyre Report for commodity agreements supported by buffer stocks, production controls, quotas etc and stressed the need for compensatory financing for the poorest countries. It was silent on the McIntyre proposal for indexation of the price of raw materials to preserve their purchasing power against the general trend of prices and international inflation.

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<sup>71</sup>*House of Lords Debates*, 25 February 1976, c710.

<sup>72</sup>*Ibid*, c710.

The White Paper's support for Stabex, the recently instituted compensatory financing facility under the Lome Convention, was regarded as insufficient because it was too small and because:

"The Stabex scheme is narrowly conceived in terms of the raw materials it covers. It rules out all minerals except iron ore. It would be much more sensible to throw our weight and resources behind a more full-blooded expansion of the IMF compensatory financing scheme, so that the whole of the Western world – not only the members of the Community... could join in a more comprehensive and genuinely international scheme for stabilising commodity prices..."<sup>73</sup>

In the area of transfer of real resources and reform of the international monetary system, Mr Hooley pointed out that while the White Paper supported the 1974 UN Special Session's advocacy of greater resources to be made available to the poorest countries hit hard by the oil crisis, via the IMF and World Bank, and for an expansion and liberalisation of the IMF Compensatory Financing Facility, it did not make any commitment to the UN target for Official Development Assistance of 0.7 per cent of GNP. On the question of food and agriculture, Mr Hooley said that while the White Paper was fully in accord with the UN Special Session's proposals for a rapid expansion in food production in developing countries, for adequate supplies of fertiliser to be made available, for access to Northern markets for cash crops to be guaranteed, for attention to the importance of food aid and for grain stocks to be maintained at a minimum of 30 million tons, there would be conflict between the desire to implement all of this and the limitations imposed by exigencies of the Common Agricultural policy:

"We have already seen the ferocious battle which went on over the relatively minor matter of sugar... We have seen the episode when the Community authorities cut off imports of beef from other countries. The ink was hardly dry on the Lome Convention before Botswana was bitterly complaining of discrimination by Community authorities against beef imports which they had solemnly promised to accept." <sup>74</sup>

The reaction of the Select Committee on Overseas Development to the White Paper came in a report in April 1976. Whilst this report welcomed and supported the White Paper, it was also critical of the cautious approach which they perceived the Ministry to be adopting in its implementation. The use of the word "faltering" to describe the Ministry's approach was given emphasis in the press at the time (for example, *The Times*, 14.April 1976, p6):

"In general, ODM seems to have taken a first, rather faltering step in the direction of trying to reach the poorest people with its aid... (the) ODM is too ready to hide behind the difficulties of implementation... This point is greatly strengthened by the evidence given on the small proportion of British aid going to rural development, namely some 2 per cent to agriculture and an estimated and somewhat notional 10 per cent to rural development, if the rural content of items like roads is included. Even an increase to 20 per cent would require much more than a doubling of the present effort... Your Committee recommend therefore that the ODM should... set a

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<sup>73</sup>Hansard, 7 November 1975, c845.

<sup>74</sup>Hansard, 7 November 1975, c846.



target for the proportion of aid that can be used for rural development over the next five years."<sup>75</sup>

The Minister's Observations on this stated that:

"The constraints on aid to rural development are not so much financial as managerial. For example, projects are often complex and take time to prepare. Many involve relatively small amounts of money. The amount we can spend on rural development will vary from country to country depending in part on how far we can succeed in securing the cooperation of the recipient government. We think it better to concentrate on measures to increase the aid we can give to rural development in each country, rather than set an overall target. A recent analysis shows that... in 1974 about half our bilateral project aid (which is about 30 per cent of our total aid programme) went on projects to help the rural poor."<sup>76</sup>

*The Times* commented that a weakness in the presentation of the Select Committee Report's criticisms on this score lay in the fact that it:

"...does not quantify the sort of increase in (rural) aid it thought was necessary... The Chairman of the Select Committee added that they felt aid for rural development should be doubled."<sup>77</sup>

The Report also took up the question of sovereignty and the Minister of Overseas Development's concern about possible "neo-colonialist" infringements of independent countries' internal development strategies by a British Government over-zealously trying to implement the new "poverty" orientation.

This is obviously a very important political problem which, however, the committee felt the Minister was nonetheless "hiding behind":

"Your Committee regard the Government as being unnecessarily cautious. In saying this we are not advocating some form of neo-colonialism... However, every donor has to make proposals as to how its tax-payers' money should be directed. Furthermore, the general preferences of donors do have a major influence, both on the sort of projects presented for foreign assistance and on the general emphasis of development strategy within the national governments... While... the new policy will be easier to implement where national governments are sympathetic to it, it can also be implemented elsewhere, provided that the ODM exercises to the full the scope it has for making its preferences known."<sup>78</sup>

In the Minister's observations on the report, while acknowledging the need to make better known the preferences of the British Government, it was stated that:

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<sup>75</sup>*The World Food Crisis and Third World Development: Implications for Policy*. First report of the Select Committee on Overseas Development. Cmnd 6270, Session 1975-76, pxxiv.

<sup>76</sup>*The World Food Crisis. Observations by the Minister*. Cmnd 6567, Session 1975-76, p7.

<sup>77</sup>*The Times*, 14 April 1976, p6.

<sup>78</sup>Select Committee on Overseas Development. *Op cit*, pxx.

"... We believe that the Committee may have underestimated the problems of succeeding with the new strategy without the full cooperation of the sovereign governments concerned.

6. This apart, poverty focussed and rural projects often take time to prepare and disbursements are likely to start only slowly... But we expect the implementation of the policy to gather momentum first in agreement with recipient governments and then in disbursements."<sup>79</sup>

The general economic situation of the country began to deteriorate in this period, and loans from the IMF resulted in a substantial round of public sector cuts in July 1976. The period leading up to this was rife with speculation, in Parliament and the press, that the aid budget would not escape the cuts. Rumours of the impending resignation of the Minister, Reg Prentice, were reported in the press (he had resigned from the same position in the last Labour Government in 1969 over a similar issue).<sup>80</sup>

The controversy which this unleashed provides an insight into the opposite extremes of thinking on development in Parliament at this time. At a time when Britain was borrowing money, it was felt by some MPs, who were not well disposed towards aid at the best of times, that development aid was now a luxury which Britain could no longer afford. In Switzerland, a recent referendum on aid had produced negative results and this further spurred on the anti-aid lobby. On the other extreme, in early July 1976, over a hundred Labour MPs put down an early day motion which called for a reversal of downward trends in aid and "in no circumstances to worsen it". It "noted that the percentage of the country's wealth devoted to overseas aid had declined from 0.52 per cent in 1964 to 0.38 per cent in 1975 and that the proportion of the budget spent on aid had fallen from 2 per cent to 0.89 per cent in the past 15 years with dismay."<sup>81</sup>

During the week before the public spending cuts were due to be announced, a series of questions put to the Minister of Overseas Development in the Commons give some idea of the extremes of thinking on this subject. After answering two initial questions from Mr Canavan and Mr Renton about when the Minister expected the UK to reach the international targets on aid as a proportion of GNP to the effect that this would depend on the rate of Britain's economic recovery, the following exchange took place:

"Mr Canavan: In view of the insane proposals for further massive cuts in public expenditure, will my right hon. Friend give an assurance to the under-developed countries that he will resist any Treasury moves to cut back our already inadequate overseas aid programme, otherwise we shall never reach the United Nations target?"<sup>82</sup>

To which he received an assurance that the Minister would "play his full part" in the discussions on the cuts in the Cabinet. The opposite point of view was presented in the following questions during the same debate:

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<sup>79</sup>*World Food Crisis: Observations by the Minister of Overseas Development*. Cmnd 6567, Session 1975-76, p5.

<sup>80</sup>*The Times*, 13 July 1976, p4.

<sup>81</sup>*The Times*, 9 July 1976, p5.

<sup>82</sup>*Hansard*, 19 July 1976, c1275.

"Mr. Onslow: Has the right hon. Gentleman thought of copying the example of Switzerland and having a referendum on the expenditure on aid, or is he afraid that it might produce the same result in this country?"

To which the Minister replied:

"Mr Prentice: I hope that a referendum in this country would not produce the deplorable result of the recent one in Switzerland. I hope and believe that the majority of citizens in this country would have sufficient sense of the moral issues and long term self-interest involved to give a different verdict."

"Mr Ian Lloyd: Irrespective of moral judgements or hypothetical referenda, in our present economic circumstances would it not be an excellent idea to publish our overseas aid not only as a percentage of our gross national product but as a percentage of what we are borrowing?"

The Minister replied that this would militate against the international commitment which Britain had to try and reach the United Nations target as soon as possible.<sup>83</sup>

In the event, the substantial public spending cuts announced that week left the aid budget untouched on that occasion. It was cut at the next budget five months later, however, in December 1976, by £100m over two years. Reg Prentice resigned a week after the announcement of the cuts. His reasons for resigning, however, were more complex than the issue of just the cuts in the aid budget. He argued that the priorities in the public spending cuts had been wrong on a series of fronts: the defence cuts were too high, the government had failed to curb the rate of increase of the index-linked welfare benefits, which meant that the "overlap" between state unemployment benefits and wages was not removed. As *The Times* editorial commented on the day after his resignation:

"His criticism goes beyond his objection to the cuts in overseas aid. His connections on aid go deeper and are longer standing than those naturally to be expected from a minister with that departmental responsibility. He resigned office because of cuts in overseas aid before, in October 1969, and it was known that he was prepared to consider doing it again if aid had been slashed in an earlier round of cuts this year. But it is the whole balance of these latest cuts that he is attacking now."<sup>84</sup>

In his Commons resignation statement he said:

"I believe the cut in aid was excessive, not only judged against the moral duty which those of us in the richer one-third of the world have in the fight against poverty in developing countries but judged also against our self-interest and in terms of the North-South dialogue."<sup>85</sup>

Frank Judd, who replaced him in the capacity of Minister of State for Overseas Development, was quickly succeeded by Judith Hart in February 1977, when, as a result of the death of Anthony Crosland, Callaghan reshuffled his Cabinet. Judd was promoted to the FCO.

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<sup>83</sup>*Hansard*, 19 July 1976, c1281-1282.

<sup>84</sup>*The Times*, 22 December 1976, p10.

<sup>85</sup>*Hansard*, 21 December 1976, c519.

Once again the cuts question produced a series of articles and letters to *The Times* which indicated a number of distinct and counterposed schools of thinking on the subject of aid within the British "establishment". Mr Christopher Brocklebank-Fowler, Conservative MP and member of the Select Committee on Overseas Development, as well as being a frequent contributor to House debates on development issues, wrote an article in *The Times* making a number of points about the cuts. He said that, although it was undeniable that public spending cuts were inevitable, "there are powerful arguments for increasing British efforts in stimulating development in the Third World, not least because their economic growth leads to larger markets for the export of British goods and services." Many aid critics did not understand "... the extent to which aid expenditure, quite apart from generating employment in recipient countries, helps produce export orders for British industry worth substantially more than official aid disbursements... indeed, Britain enjoys a balance of trade surplus with the majority of Third World countries..."<sup>86</sup>

Mr Brocklebank-Fowler's article received a stinging response from Martin Bendelow of the Centre for Policy Studies, a Thatcherite "think-tank", which reflected the "no moral case for aid" school. In response to the argument that aid generates exports, Bendelow claimed:

"If exports are bought with the proceeds of aid, they are given away or subsidised. To suggest that this benefits the British economy is akin to saying that the store owner benefits from burglary because some of the proceeds of the robbery are spent at his store."

He further suggested that:

"All exports have an import content and if they are bought with the proceeds of aid, this may damage our balance of payments. And... if aid creates employment in Britain, what happens to those productive industries at home from which taxes are levied? – the burdens of taxation increasingly strangle their own job creating abilities."

Finally, Bendelow challenges the notion that aid is effective:

"... to say that aid increases the productivity in the recipient countries naively assumes that its effects are favourable. There is much evidence to show that this is more often than not quite the contrary. Besides which it overlooks the probably more productive uses of the resources at home. This can scarcely increase world income..."<sup>87</sup>

The above exchange illustrated very clearly the distinct, if not counterposed views on aid within the Conservative party. Both shared the aim of furthering the interests of British industry, but through completely, opposed policies on aid. The former, however, would also, no doubt, claim that this consideration was secondary to developmental criteria (the question of whether the practical record of British aid in this period would bear out such a claim remains to be considered).

An article giving a quite different reaction to the cuts appeared, by way of contrast, in *The Times* shortly after, written by Michael Lipton, a leading academic in the field of development studies. It reflected the "More Help to the Poorest" approach and used the

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<sup>86</sup>*The Times*, 10 December 1976, p16.

<sup>87</sup>*The Times*, 22 December 1976, p11.

opportunity, afforded by interest in aid engendered by the recent cuts, to analyse the problems in the way of implementing this approach.

"By 1978-79, Britain's development aid will be slashed by 20 per cent... gloom prevails because growth and development have done hardly anything for the poorer half of the Third World's swelling populations."<sup>88</sup>

After arguing at length that this is because of the "urban bias" in traditional aid programmes and the large "hardware" projects that go with them, he considers the question of Third World country sovereignty as an obstacle to shifting the emphasis to the rural sector. The difficulties of implementing the shift to the rural poor relate to the fact that, whereas large urban "hardware" projects are easily monitored in a short space of time on completion, and are accessible within easy range of the "best hotel" in the towns and cities, rural projects need long term monitoring in less comfortable rural surroundings:

"Few Third World governments will welcome such activities by unsupervised outside donors; but many will want resources to enable an independent national agency to do the job, for their own projects as well as the aided ones."<sup>89</sup>

Arguing that donor countries cannot intervene in the process of selection and monitoring of projects by Third World governments, he thus concludes that the way forward is to encourage Third World governments to set up their own indigenous institutions and develop their own indigenous expertise. The alternative, he argues, would be to hastily set up lots of rural projects which would be badly managed and which would fail through lack of management expertise, the effect of which would be to discredit the whole approach. He further argues that within the Ministry of Overseas Development there is a section of the staff consisting of the accountants, the project specialists and the older staff who are opposed to this approach and are sitting back to wait for it to "discredit itself". The younger staff, the economists and country specialists, who are generally in favour of the shift to rural poverty, should not allow their enthusiasm to run away with them.

The points made above do actually echo the reasons given by Prentice in reply to the accusation, mentioned above, by the Select Committee on Overseas Development, of "faltering" progress being made in implementing the shift to the rural poor – i.e., lack of trained management personnel, and the sovereignty problem. However, the danger of creating a "vast expansion of hastily planned rural projects" does not seem real in a context in which "local costs" restrictions by the Treasury would appear to have ruled that out in any case. As Judith Hart pointed out to the Select Committee on Overseas Development in relation to a controversial proposal to supply cargo ships to India in early 1978, which was seen as contradicting the "More Help for the Poorest" approach:

"... it is not a matter of the incapacity of the Government of India to identify projects in the rural sector. It is basically because we ourselves are extremely restricted in the local cost element of what we can do in India.

136. (Mr Brocklebank-Fowler) By whom? – (Mrs Hart) By us.

137. (Mr Brocklebank-Fowler) That is an important point? – (Mrs Hart) It is absolutely crucial. It is Government policy. I think that you have had

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<sup>88</sup>*The Times*, 21 January 1977, p14.

<sup>89</sup>*Ibid.*

evidence in the past about local costs... That is a very severe constraint on our ability to identify major projects in the rural sector because so many rural projects involve a considerable degree of local cost."<sup>90</sup>

In fact, Judith Hart had to "fight battles" for projects involving local costs with the Treasury who would, as she put it, "fuss and bother". She claims that this point was eventually won and that the opposition to local costs relaxed. The figures in the chapter on quantitative aspects of British aid indicate that an increase in local costs did take place in the late 1970s, and early 1980s towards the end of the Labour administration, and in the period afterwards when projects agreed under Labour were still being implemented. By contrast, there was a steady decline in the mid and late 1980s under the Conservatives so that by 1990 spending on local costs was approximately 10 per cent of the 1981 figure. According to Judith Hart, this reflected the growth of rural development projects under Labour and the consequent shift towards commercially-orientated projects afterwards under the Conservatives.<sup>91</sup>

The problem was not so much a question of the discrediting of the rural poverty shift through a "vast expansion of hastily planned rural projects", but rather one of underspending within the aid budget because of restrictions on "local costs". This left funds available which were increasingly being spent on grandiose "urban hardware" projects. The deal to supply cargo ships to India fell within this category, as did a similar deal to sell cargo ships to Vietnam shortly afterwards, a subject to which we will return later.

However, despite these problems of implementing the rural poverty shift, another important development of this "basic needs" approach was opened up in mid-1977, when a Working Party within the Ministry of Overseas Development produced a paper on intermediate technology which recommended that more emphasis should be given to this approach in the aid programme.<sup>92</sup>

This recommendation was accepted by Judith Hart, and in July she announced that £500,000 would be set aside for initiatives within this category for the next three years<sup>93</sup>

The initiative for the setting up of the Working Party came from a series of research papers from Strathclyde University which were analysing in detail the choice of techniques and the effects of scale for different industries. Cost benefits and wide available choices in small scale operations had been shown. However, only 1 per cent of the aid budget was being devoted to intermediate technology, according to *The Times*, in an article by their technology correspondent who was analysing this new development:

"But... growing interest by the practitioners may not be shared by their (Third World) governments who may be suspicious of the concept. They may regard it as an attempt to impose second-hand or old-fashioned technologies on the developing world."<sup>94</sup>

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<sup>90</sup>Minutes of Evidence to the Second Report of the Select Committee on Overseas Development. *Renegotiation of the Lome Convention*. Session 1977-78, p56.

<sup>91</sup>Interview with Judith Hart. 8 January 1981.

<sup>92</sup>*Appropriate Technology. Report of the Ministry of Overseas Development Working Party*. Overseas Development Paper No 8.

<sup>93</sup>*The Times*, 5 July 1977, p17.

<sup>94</sup>*The Times*, 22 July 1977, p21.

However, this approach has to be seen as an important development of the "More help for the Poorest" policy, however modest in scale. As the above article pointed out, intermediate technology did not figure greatly in British exports and, despite the efforts of the ODM to stimulate interest in the idea among British firms through the opening up of an intermediate technology centre, it is clear that it would never have the same attraction to British exporting firms as the big, high-technology hardware projects.

Parallel to this interest in intermediate technology within the ODM, another, in many ways opposite, trend was developing within Whitehall as a result of the lobbying of British exporters. As has been very well highlighted by Clark and Toye in a recent memorandum to the Select Committee on Overseas Development, these firms were complaining that the British Government was:

"...standing idly by while foreign countries were using overseas aid money to give their national firms an unfair advantage in developing country markets. They accordingly petitioned the British Government to eliminate that unfairness, by devoting part of its aid in the financial support of specific British bids for business in developing countries".<sup>95</sup>

The CBI suggested, in evidence to the Select Committee on Overseas Development in this period, that:

"Aid might usefully be combined with trade by using it as a means of softening commercial credit terms for British exports to LDCs, when the benefits to Britain's trade would be large and apparent disadvantages small."<sup>96</sup>

By July 1977, an outline plan to institute a scheme for "mixed credits", emerged within Whitehall through the use of up to 5 per cent of the aid budget to supplement subsidised credit from the Export Credit Guarantee Department. The DTI saw this as a defence of exporters from unfair foreign competition; within the ODM, Judith Hart saw it as a bargaining counter in negotiations with the Treasury over increasing the overall size of the aid budget. In October 1977, the aid budget was in fact increased by £20 million. This increase was extracted at the price of the Aid for Trade Provision (ATP). According to Judith Hart, this took place in the following context:

"On the Aid and trade thing, one was dealing (a) with the Department of Trade and (b) with the Treasury – two very powerful sets of people. Neither of them were at all keen on increasing the aid programme, as you can imagine. This was a sort of tacit, not spoken, but tacit bargain: alright you can have this Aid and Trade thing, but I want my increase in the aid programme. I have my list of the actual things I approved under the Aid and Trade Provision. I could justify every one of them now – they were developmentally sound. Since then they've been a bit dodgy. They had to satisfy development criteria and we were applying the development criteria pretty strictly. I didn't have any terribly deep resistance to the concept. The

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<sup>95</sup>Clark, G and Toye, J. "The Aid and Trade Provision: Origins, Dimensions and Possible Reforms". Memorandum to the Select Committee on Overseas Development. Appendix 11. *Minutes of Evidence to Second Report of the Select Committee on Foreign Affairs. Bilateral Aid: Country Programmes*. Session 1987–88. HCP 32, p195

<sup>96</sup>House of Commons. *Trade and Aid. Report of the Select Committee on Overseas Development*. Vol 2, p294. First Report, Session 1977–78. HCP 125 – II.

French were getting away with it all the time under credit mixed. And they were sort of snaffling contracts here and there under *crédit mixte*, which we felt we ought to have got. I was also on the National Executive of the Labour Party and Chairman of the industrial policy committee and the rest of it and I felt that if we could do things that helped our industry that were legitimate developmentally you know OK. I really did. I remember Joel Barnett quotes me in his book that I said to him at one point 'Its all very well but you can't persuade the Indians to buy ships if they don't want them,' but I was trying to help our own industry and our own people's jobs – I didn't think there was anything wrong about that. So you have to take it against that sort of background. I wouldn't have done it, have agreed to it if it hadn't been a way of persuading the Department of Trade particularly not to resist the increases because I was getting very substantial increases, it was absolutely phenomenal when I look back at it. At a time of cuts I had guaranteed a 6 per cent aid increase for the next three years. It was really quite out of proportion".<sup>97</sup>

The circumstances in which the scheme came into existence within Whitehall would appear to be shrouded in a certain amount of confidentiality. The existence of an inter-departmental Whitehall committee on trade and aid became known to the Select Committee on Overseas Development in the aftermath of the publication of their Report "Trade and Aid." in December 1977. When they asked Whitehall to enlighten them on the terms of reference of this committee they were told that a Whitehall "convention" prevented Ministers from discussing such matters.<sup>98</sup>

The extent to which this inter-departmental committee made the decisions on aid and trade policy, the Aid for Trade applications, and which department of the Government played the leading part in deciding these questions, were all questions which remained to be answered.

The criteria and guidelines which governed the use of the scheme would appear to have remained unpublished until they were presented to Parliament by the subsequent Conservative administration some five years later in 1982. There is, however, no guarantee that these guidelines were identical to those in operation when the scheme was first instituted by the Labour Government.<sup>99</sup>

The conditions under which this provision could be disbursed excluded countries with a per capita income higher than \$1,000 in 1972 and those infringing human rights. The commercial purposes which the scheme was supposed to serve were described to Parliament in 1982 and have been summarised by Clark and Toye as:

"a) facilitating entry into a new market or sector; b) establishing or maintaining technological links; c) retaining a traditional market temporarily endangered; d) combating the aggressive use of aid by trading competitors; e) helping UK industries "secure orders of commercial importance".<sup>100</sup>

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<sup>97</sup>Interview with Judith Hart. 8 January 1991.

<sup>98</sup>Minutes of Evidence to the Second Report of the Select Committee on Overseas Development. *Renegotiation of the Lome Convention*. Session 1977–78, HCP , p35.

<sup>99</sup>Clark and Toye. *Op cit*, p202.

<sup>100</sup>Clark and Toye. *Op cit*, p196.



As Clark and Toye point out in their analysis of these guidelines, objective (d) is obviously designed to meet the CBI's complaints about unfair competition. However, objective (e) goes beyond this and allows aid to be used for commercial purposes irrespective of aggressive and unfair competition by foreign firms. Thus it would appear that, under these objectives, it is not necessary that unfair foreign competition should exist for ATP resources to be used.

They also point to an obvious potential conflict between commercial criteria and development criteria, which, under the "More Help for the Poorest" policy, place the emphasis on rural development projects which, in turn, require little in the way of export orders for British industry.

The first consequences of this trend in aid policy were manifested in February 1978 when a commercial bid by British Shipbuilders to supply India with cargo ships undercut Dutch competitors and secured the contract for the British firm. This Indian deal was met from unspent country allocation. It accounted for £52.8 million – of the country allocation for the year of £136 million! This caused something of a furore in which the Dutch shipbuilding firms complained of unfair competition, the General Council of British Shipping complained that subsidising the Indian shipping firms would lead to unfair competition with them in cargo carrying, and the "More Help for the Poorest" lobby, inside and outside Parliament, claimed that this deal went against ODM policy and wasted 20 per cent of the aid allocated to India, in two consecutive years, on a project which had nothing to do with helping the rural poor. A similar deal to supply ships to Vietnam, but on this occasion from the Aid for Trade Provision, rather than the country aid allocation, quickly followed this and poured further petrol on the fire. In this case there was the embarrassing fact that the amount devoted from the ATP budget for this deal equalled in magnitude the whole of the modest level of funds devoted by Britain to war-devastated, newly-unified Vietnam in Non-ATP aid, while Holland had provided ten times this sum to Vietnam in its aid allocation.<sup>101</sup>

In the Commons, the affair was discussed within the Select Committee on Overseas Development and in a short Commons debate. As has already been stated, the deal was defended by Judith Hart on the grounds that the aid allocated to India had been underspent as a result of local cost restrictions by the Treasury, which had limited the number of rural development projects, and that the money had to be allocated in some way.

Looking back on this deal, Judith Hart observed:

It saved a hell of a lot of jobs in the North East shipyards for two or three years... (the Indian Government) were constantly coming up with their proposals for industrial things and so on you see. And of course the Indian programme was our biggest – in my time £120-130 million, I don't know what it is now, but it was the biggest single bilateral programme and so it mattered, you know. I mean we got to a point where we weren't even agreeing with the Indians enough ways to spend the programme allotted to them. Now we got some things accepted: I remember we did the Dry Areas Research Institute, we did a lot of help in the Green Revolution stuff to Institutes of Technology and we were working on that kind of thing. We did this very good thing which I persuaded them into – a medical service to go out into the villages from the centres, sort of buses we equipped to do minor operations and with doctors which went out to the villages and so on. But it was a big effort to get them to accept that, you know. And so the ships deal was just one of a number of essentially industrial, commercial proposals that

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<sup>101</sup> *The Times*, 9 February 1978, p19.

they were putting to us. And this was one that helped our folk, our industry, our workers."<sup>102</sup>

It should be noted that this assessment differs from, and is in fact contradicted by, the earlier statement quoted above to the Select Committee on Overseas Development. Here the accent is put on the reluctance of the recipient government to propose poverty-focussed projects; in the earlier quote it is put on the problem within the donor country of insufficient local costs. A similar problem was identified by future ODA Minister Timothy Raison:

Many people say that the problem in aid is not finding money; the problem is finding worthwhile projects to spend it on – that's the difficulty. And there was a boom, the last Labour Government in the late 1970s had a spell – I forget how long, but I mean a year or so – a very high aid programme comparatively, but I think the people looking back at that would say that the sudden rush to step up its aid programme led to a number of projects of fairly questionable value. The difficulty is finding really worthwhile things to do in the field. The public, for very respectable motives, doesn't understand that."<sup>103</sup>

The reaction to the underspent budget motivation for the ships deal came from Malcolm Rifkind, who opened an attack on it in the Commons debate as follows:

"That may be true and it may be very regrettable that that is the case. I suggest that that is no argument for directing the funds available to a purpose for which they were not intended. If it is proving difficult to spend the sum allocated, that suggests that too much money has been allocated to Indian development, or that the criteria in the White Paper might need to be revised. But in the absence of the two factors, the Government's action is clearly indefensible."<sup>104</sup>

The other reason given by Judith Hart for the project was that it would create jobs in the depressed north-eastern shipyards. Rifkind's reply was the following:

"That may be a worthy cause, but it is a gross and indefensible abuse of the aid voted by this House for development purposes overseas."<sup>105</sup>

Replying for the ODM, John Tomlinson, Judith Hart's Parliamentary Private Secretary, stated that:

"... to say that there is no benefit to the people of India is to ignore the fact that the creation of a stable asset which is wealth-creating inside India will give the Indian Government the self-capacity and the additional resources themselves to assist the poorer people within their own country."<sup>106</sup>

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<sup>102</sup>Interview with Judith Hart. 8 January 1991.

<sup>103</sup>Interview with Sir Timothy Raison. 26 February 1991.

<sup>104</sup>*Hansard*, 20 March 1978, c1177.

<sup>105</sup>*Ibid*, c1178.

<sup>106</sup>*Ibid*, c1183.

When Mr Rifkind pointed out that the "More Help for the Poorest" White Paper had stated that the policy was not just to build up the economy of the recipient nation but to directly assist the most poverty-stricken people in that country, Mr Tomlinson replied:

"The Hon. Gentleman is trying to read into the Government's White Paper a precision that was not written into it. My interpretation of it...is that it emphasises a change of direction. It does not produce an absolute objective and say that all aid will be in this form. It produces a change of emphasis and of direction and a new area of concentration and new objectives that we should be looking at."<sup>107</sup>

This, of course, was perfectly true. Nevertheless, it has to be said that the use of 20 per cent of the aid budget of Britain's largest aid recipient, on a single project such as the Indian ships deal, in two consecutive years, was an indication of how far there was still to go in making a shift of emphasis. It was an indication, to be more specific, of the extent of the constraints which local-cost restrictions, by the Treasury, placed on rural projects, of how large and unresolved, either through lack of experience or the absence of will within the ODM bureaucracy, were the problems of effecting the revolution in management and monitoring techniques necessary to implement poverty-focussed rural projects, and of how powerful were the commercial pressures siphoning-off resources unspent as a result of these constraints. A further point concerning the above two ship deals relates to where the initiative came from within Whitehall for the projects. In the case of the Indian deal, as we have already seen, an underspent country allocation left funds available which the Ministry of Overseas Development earmarked for the ships deal. However, this was not the same with the other case:

"(Mr Tomlinson) The initiative in this case concerning ships for Vietnam was taken by the Department of Industry and the Department of Trade and not by the Ministry of Overseas Development. In this case the aid will be quite small – about 20 per cent of the total cost – and would come from the Aid/trade contingency provision which I mentioned earlier."<sup>108</sup>

This was to become the method of initiation for Aid for Trade applications in the future. The important point about this method of initiation was that it often gave the Ministry of Overseas Development very little time to assess the projects on developmental grounds; in many cases there would simply not be enough time. The possibility of the loss of a contract through delay would mean that the ODM would increasingly be unable to do its assessment properly.

It is appropriate to conclude this chapter with an analysis of what were the practical results and lessons of the "More Help for the Poorest" policy. Paul Mosley has summarised these in a number of articles and reports.

The outcome of the "More Help for the Poorest" policy shift was an easing of aid terms, the initiation of the Joint Funding Scheme with the NGOs and projects aimed at rural development were begun. Unfortunately, very few evaluations of the impact of these projects on redistribution of income have been undertaken, so it is difficult to draw any definite quantitative conclusions.

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<sup>107</sup>*Ibid*, c1183.

<sup>108</sup>*Ibid*, c1184.

Aid ought to be concentrated on goods and services in the rural and shanty-town areas where the poor are concentrated. In providing the skills and assets relevant to the poor it is important to consider technological options which are appropriate to them. For example kerosene and wood are used more easily and effectively by the poor than energy generated by hydro-electric or coal-fired power stations. Roads can be constructed by employment-generating, labour intensive methods instead of high-tech methods. Mosley mentions a project initiated in the 1970s in relation to this – the Kenyan Special Road Development Programme and its continuation as the Rural Access Roads Programme funded by the World Bank and other bilateral donors including Britain. The interesting thing about this project was that it switched from high-tech to labour-intensive methods in mid-project. Other examples are aid projects aimed at tractorisation of agriculture. Tractors displace labour – such projects in the early 1970s were discontinued. This sort of thing exemplifies the need for evaluation during the whole cycle of the project. Technology must be appropriate to the basic needs of the poor and not make them worse off, and continuous evaluation can prevent mistakes from becoming institutionalised in aid projects.

Another issue raised by Mosley is the need for aid to provide what the market does not provide. Rural poverty exists because the market does not provide the goods and services which the poor need; it does not provide agricultural research on the needs of more marginal land for better seeds – most of this is confined to irrigated good land. Many poor farmers are not considered credit-worthy by the commercial banks and have to resort to loan-sharks at exorbitant interest-rates. Handicrafts in remote villages do not easily find a market for their sale. Aid should attempt to provide an institutional answer to these needs, not just "throw money" at the problem. Mosley mentions the Grameen Bank Project initiated in 1976 as an example of the kind of self-financing rural credit institution developed to meet such needs – which also exemplified the need for sustainability of the project when the external finance is curtailed.

A classic lesson learnt in the late 1970s was the need to avoid overloading the recipient country's administrative structure. Examples of this cited by Mosley were the Integrated Rural Development Projects, such as the Kosi Hills Rural Development Project in Nepal, begun by the ODA in 1979. It sought to attack rural development from a variety of fronts, but the Nepal Government coordinating ministry lacked the authority to implement many of the aspects of the project. It had to be scaled down to a more modest size. The World Bank has subsequently sought to get round this problem by having an independent authority to implement such projects.<sup>109</sup>

In a separate contribution Mosley, after analysing a number of other case studies, concluded that there are a number of paradoxes inherent in a poverty-focussed policy which have implications for aid policy:

- a) that such projects, because of the difficulty of replicating them in different Third World settings, inevitably take on a somewhat experimental character and thus "increase the uncertainty of the beneficiaries' incomes in precisely the environment where this is least desirable." Mosley argues that this can be minimised by avoiding vast integrated rural development programmes and sticking to small projects which are more reliably replicable.
- b) that the very poorest communities are unable to pay an economic price for the services once the projects have been implemented and thus the donor is faced with either the

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<sup>109</sup>Mosley, P. *Poverty-Focussed Aid: the Lessons of Experience*. Actionaid Report. London, September 1987.

collapse of the project or with subsidising the "recurrent costs" on an ongoing basis, with all the neo-colonialist connotations of dependency which this entails. He suggests that this can be reduced by designing, where possible, what he calls "composite" projects which benefit better-off consumers as well as the poorest so that a differential rate can be charged and thus enable the poorest to be subsidised by them.

- c) Because poverty-focussed projects are not very often initiated by the people they are aimed at, there is the problem of "paternalism" especially when recurrent costs are being paid. He suggests that this can be overcome to some extent by collaboration with voluntary agencies and by giving greater financial discretion to donor-government field-staff. As Mosley says:

"... it is not the least of the paradoxes of poverty-focussed aid programmes that... their effective implementation involves in many practical details reversion to a 'neo-colonial' budgetary relationship."<sup>110</sup>

Nevertheless, as Mosley points out, in many cases there are situations where there are no "better-off consumers" to subsidise the poorest communities and there is really no alternative to donors paying recurrent costs. There is, in addition, the point made by Michael Lipton, already mentioned, that as far as possible indigenous agencies and institutions should be created to administer such projects and there would appear to be no reason why they should not also oversee the distribution of recurrent finance from external donors. There is a much greater danger, which we have already seen highlighted by the Select Committee on Overseas Development, of donors "hiding" behind problems of sovereignty and paternalism to avoid providing local and recurrent costs when the real reason may well have more to do with balance of payments considerations and the relative absence of export possibilities in such finance. The implications of all of this for British aid were summarised by Mosley as follows:

- "1) Aid should focus on agriculture and cottage industries. Mosley recommended that the money devoted to renewable natural resources should be raised from 18.8 per cent (at the time of writing in 1986) of the British Aid Programme to 50 per cent.
- 2) Aid should provide the skills which the poor are capable of using. The present test of technical feasibility should be replaced by a test of technical optimality. Local cost limits should be eliminated to allow local technological options to be implemented as needed.
- 3) There should be a test of political feasibility as part of a process of consultation with the beneficiaries. If powerful, rich elite interests are likely to thwart the poverty focus of the project then a strategy has to be found to overcome this problem. One possibility is to make them minor beneficiaries of the project to buy their acquiescence to the poverty-relieving aspects of the main part of the project.
- 4) Avoid overloading of the recipient government administrative structure by increasing the size of the NGO Joint Funding Scheme although there are limits to what it can do.

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<sup>110</sup>Mosley, P. "Aid for the Poorest: Some Early Lessons of UK Experiences." *Journal of Development Studies*, 1981, pp214-225.

- 5) Mosley also argued for programme aid to be conditional on the implementation of poverty relieving policies such as land reform and progressive taxation as well as on macroeconomic policy. Mosley regarded this as a less blunt instrument than the Dutch aid policy of prioritising countries which were regarded as being redistributive."<sup>111</sup>

Point three is clearly an abhorrent but pragmatic response to a very difficult problem. It does indicate the limits to the possibility of reforms in the kind of fundamentally unequal societies commonly found in the Third World. The violent conflicts over land reform in North-East Brazil and elsewhere indicate the nature of the problem. Aid to the poorest is premised on a sometimes naive assumption that elite interests will allow the poor to be aided. Buying-off the rich is one possible strategy, although not a very satisfactory one. The "solidarity not aid" alternative is to assist the poor to assert themselves politically in order to achieve genuine land reform from below through their own self-organisation.

Point five confuses conditionality for redistribution with conditionality for macroeconomic policies which do the reverse although Mosley also argues in favour of "adjustment with a human face". There is a profound contradiction running through this view. As with any kind of conditionality, whether it is "green" conditionality or "redistributive" conditionality, there are strong overtones of neo-colonialist paternalism which Mosley himself recognises. It is fundamentally hypocritical also for Northern official aid agencies to assume the right to lecture the South about the environment or redistributive policies when their own governments' records are so abysmal on these questions.

It is more conceivable to propose that future Northern Governments, implementing redistributive and green policies of their own, might then have the right to propose the implementation of some kind of co-funding arrangement: matching, doubling, or whatever, new funds devoted to poverty relief as a result of voluntary redistribution of internal resources by Third World Governments. This should be without strings of any kind, however.

Aid conditionality, which was to be such a strong feature of aid in the 1980s, was less prominent under the 1974-79 Labour Government. As Judith Hart put it:

"We didn't have it. It only emerged in the '80s. It happened because of this whole sea change in attitudes. We had a bit of human rights conditionality, but not terribly much. We cut off aid to Uganda under Amin and Chile under Pinochet. If you really disliked what a country was doing it was quite likely that its bilateral aid would not go up the next year, but that was subtler – it wasn't formally linked to conditionality. I took the view, and still do, that if you are going to be concerned about human rights, a whole lot of that is linked with stages of development, and if you want people to be more civilised then you'd better help them to make a bit of social progress. No conditionality. Had the IMF tried to impose any of its present conditionality while I was there, they would have got short change, very short change."<sup>112</sup>

Paul Mosley, commenting on this assertion that there was no conditionality linked to policy reform under Labour, cites another form of conditionality which did take place:

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<sup>111</sup>Mosley P. *Poverty-Focussed Aid: The Lessons of Experience*. p23-24.

<sup>112</sup>Interview with Judith Hart. 8 January 1991.

"She may be right in the sense that Britain in those days didn't ask for policy changes as a condition of aid. On the other hand she would certainly have asked for aspects of the project environment to be as the British Government wanted them. For example, if the British Government was giving aid to a power corporation then it would have wanted to be satisfied that the charge made for electricity was going to be sufficient to enable the electricity company to maintain its capital and so forth. So those kinds of conditions I'm sure existed even during Judith Hart's time."<sup>113</sup>

This review of the lessons of poverty-focussed projects in the late 1970s leads on to the question of what happened to this approach under the subsequent Conservative administration. This will be discussed in the next chapter.

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<sup>113</sup>Interview with Paul Mosley. 19 February 1991.

## Chapter 4

### The Overseas Aid Policy of the Conservative Government (1979-90)

The coming to power of the Conservative government in 1979 produced a shift of aid policy, but one which was somewhat ambivalent and shot through with a number of contradictions. These resulted from the conflict between the underlying political ideology of Thatcherism and the perceived political resistance to a rigid application of that ideology in the field of overseas aid. This approach was perhaps best summed up in the press by Professor Peter Bauer, leading ideologue of the New Right anti-aid school shortly before the shift of aid policy was announced in Parliament:

"... By increasing the money and patronage of the recipient governments, aid promotes the disastrous politicisation of life in the Third World and intensifies the struggle for power... It directs energy and attention away from productive activity to the political arena... Further, aid promotes state controlled economies which again leads to politicisation... The effective way to relieve poverty and distress in the Third World is through voluntary, non-politicised charities... Ideally, official aid should be terminated. But this is not now practical... Bilateral aid should replace multilateral aid to retain parliamentary control of taxpayers' money. Aid should be untied grants to distinguish between subsidies to foreign governments and to British exporters and also between aid and investment. It should go to governments genuinely interested in the welfare of their subjects and promote it by effective administration...and the pursuit of liberal economic policies. This would reduce the effect of aid in politicising life..."<sup>114</sup>

It was not practical to abolish aid, according to Bauer, because of the momentum of existing commitments and also because of the enormous power of vested interests both commercial and emotional, including those of the aid bureaucracy.<sup>115</sup>

Whilst many people in the Thatcher government subscribed to the view that official aid was counter-productive in bringing about Third World development, it was not politically possible to come out openly and say so as a policy statement. Thus, throughout the past ten years of the Conservative government, no new White Paper has been introduced challenging the "More Help for the Poorest" policy of the previous Labour government. Instead, a brief statement was made simultaneously, by Foreign Secretary Carrington in the Lords and Overseas Development Minister Neil Marten in the Commons, on 20 February 1980, which introduced what would become the oft-repeated refrain:

"Our ability to support development overseas is dependent on the state of our economy and the need to strengthen it. Nevertheless, the government will continue to provide aid to the developing countries on a substantial scale. Official aid continues to be an

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<sup>114</sup>*The Times*, 5 February 1980.

<sup>115</sup>Interview with Lord Bauer. 4 April 1991.



essential element in development, especially for the poorest countries. Within the limits of our resources, we must seek to relieve poverty in the developing world so as to create conditions for greater peace and stability and to contribute to the growth of world trade on which Britain so critically depends."<sup>116</sup>

So the argument was not that official aid was bad in itself, but that Britain was restricted in the amount it could disburse by its own need to restore its economy and this, in the context of the need to trim public spending, would mean that cuts in aid would be necessary. This concession to the old Labour policy was highlighted by former Labour Minister for Overseas Development, Judith Hart, in the debate which followed the statement.

"Will the Hon. Gentleman accept that the statement basically endorses the aid strategy of the Labour Government...Our strategy has been nibbled at the edges, but substantially remains?"<sup>117</sup>

The Minister replied that, owing to the existing commitments, there was little room for manoeuvre and that any change must be gradual. This was obviously true, but at the same time it evaded the issue being raised. The "nibbling at the edges" referred to the part of the statement which spoke of giving greater weight to "political, industrial and commercial" criteria in the allocation of aid "alongside the basic developmental objectives." A common argument made by both Labour and Conservative MPs, other than those from the hard-line anti-aid school, was that Britain had a lot to gain from overseas aid in terms of orders for British industry as a result of the tying of aid to British goods. As we have seen in the previous chapter, this was challenged by anti-aid "think tanks" such as the Centre for Policy Studies, which argued that the tax burden on British firms created by large aid budgets would more than offset any such gains. And we have seen in the quotation above that Peter Bauer was arguing that even tying should be scrapped. The emphasis in the Marten statement on "political, industrial and commercial considerations", was thus, despite being a step away from the "More Help for the Poorest" strategy, at the same time a victory for what might be termed the industrial export lobby in the Tory party which did not adopt the approach of the Thatcherite anti-aid ideologues. Indeed, this was noted by Judith Hart in the same debate following the statement:

"I hope I shall not embarrass the Lord Privy Seal... the Foreign Secretary and the Hon. Gentleman (Mr Marten), but will they accept my congratulations on their powers of persuasion and influence on their free-market, monetarist and anti-aid colleagues at a crucial point?"<sup>118</sup>

The Marten statement also announced that there would be an increase in the Aid for Trade provision (ATP) by which aid grants could be used to "sweeten" tenders by British firms for overseas contracts usually with very little in the way of an opportunity to appraise these projects on developmental grounds.

The growth of the ATP as a percentage of the aid budget was to become a focus for much criticism by the "More Help for the Poorest" lobby over the course of the

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<sup>116</sup>*Hansard*, 20 February 1980, c464.

<sup>117</sup>*Ibid*, c465.

<sup>118</sup>*Ibid*, c465.

next few years; yet it is important to recognise that this too was a further indicator of the strength of the "industrial lobby" of the Tory party on this issue rather than the anti-aid lobby.

Just a few weeks prior to the Marten statement, the first Brandt report had been published calling, among other things, for a massive flow of funds into the Third World. The impact of the report was to strengthen the pro-aid lobby, and the presence of former Conservative Prime Minister Edward Heath on the Commission which drew up the report illustrated once again the existence of a strong countervailing trend to the Thatcherite ideologues within the Conservative party on the issue of aid and development. The effect of the publication of the report was to create a chorus of demands for its implementation from a wide spectrum of opinion within the country which clashed sharply with the intentions of the government to progressively cut aid as part of its shake-out of the public sector. This may also have been a factor which was responsible for the muted tone of the Marten statement. At any rate, the report certainly provided a sharp contrast to it.

A lobby of Parliament organised by the development agencies and the churches in May 1981 calling for the implementation of the Brandt report and opposing the cuts in aid, brought out 10,000 people and provoked a perceptive article from *The Times* which highlighted the dilemma for the government in explaining their more ideological position on aid to the public:

"The place was besieged by progressive vicars and like-minded souls. Harassed back-benchers summoned by aid-crazed constituents could be heard explaining in the Central Lobby that they agreed with the lobbyists' aims. For economic reasons the government had been forced to slow down aid a bit, but it would pick up after the recession. But according to the New Right, that is not the correct line at all on aid. The correct line is that the poverty of all those countries is not caused by insufficient Western aid and that in any case the money cannot be other than wasted and only makes the whole situation worse. Mrs Thatcher was briefed on the arguments many times in gatherings during the years of the Long March in opposition. It is probably still her view. But maddeningly the world on such matters seems to go on much as it did before, with nearly everyone automatically assuming overseas aid to be a good thing..."<sup>119</sup>

In defending the Government record Ministers have tended to shift the argument away from aid to trade, saying that the most effective way to help the Third World is to promote growth in Britain. The continued efforts to promote an open trading system with free access to Northern markets for Third World exports would do far more than aid ever could, so the argument ran. This kind of statement is usually followed by a few side-swipes at Labour's policy of import controls which deny such access to Northern markets. Such statements exploit Labour's vulnerability to pressure from trade unions in industries competing with Third World imports. Such an argument raises a thorny issue which has been much debated in the development movement: does access to Northern markets promote a dependent development by drawing Third World countries further into an unequal trading relationship with the North? Would it not be a better policy to promote self-sufficiency in both the North and the South which would minimise unequal trade? Is

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<sup>119</sup>*The Times*, 8 May 1981.

it not the case that the New Right in Britain are in favour of an open trading system partly or wholly because they are conscious of the advantages that the North, including Britain, has in this regard? This is not to suggest that Labour's protectionist policy of import controls is in any way an alternative based on Third World interests – it is clearly a self-interested, nationalist policy in terms of its motivation. The logic of the leftist anti-aid lobby in many ways would seem to be inspired by a similar concern that Northern aid is primarily bound up with Northern political, industrial and commercial interests. The extent to which aid is aimed at agro-export production to serve Northern needs rather than subsistence farming and other basic needs production, for example, is one aspect of this concern. It would seem important to avoid throwing the baby out with the bath water. It is clear that many Third World governments will continue to receive aid despite the conditionality and strings. It would appear to be necessary therefore to continue to campaign for aid to be less conditional and better quality. It would also seem important not to let Northern governments "off the hook". Simply calling for the ending of aid does nothing to advance the efforts of those pressure groups seeking to make aid genuinely developmental. However difficult – even hopeless – such a task might seem in the context of the entrenched power of the industrial and commercial lobbies with their ready access to governmental ears, it does seem rather self-defeating to refuse to make positive demands of Northern governments in terms of providing aid "without strings" for the Third World. Even if such efforts only achieve a small improvement in the terms of aid giving, it would seem to be a worthwhile exercise.

The budget of June 1979 had already trimmed the aid budget from £840m to £790m. The Overseas Development Ministry was once again relegated to a department of the Foreign Office. It had already lost its ministerial Cabinet status under Labour. The status of the Minister for Overseas Development, in Whitehall terms, was recently described as being analogous to that of a manager of a Siberian power station.<sup>120</sup>

In addition, the Thatcherite hatchet men had been let loose on the civil service to look for areas of waste. A vivid picture of the scene was drawn in a *Times* article at the time:

"(The ODA) has resembled nothing so much as a pre-operative patient being pored over by successive teams of surgeons, scalpels glinting. A senior official believes he counted nine concurrent reviews at one stage.

One imagines Sir Leo Pliansky's quango hunters, Sir Derek Rayner's waste eliminators, and the anonymous analysts of the inter-departmental aid policy review – another one has been mauling the British Council – and of the ODA's management review tripping over each other on their way to the operating theatre."<sup>121</sup>

In March 1980, a public expenditure white paper announced that aid would continue to be cut over the next few years.<sup>122</sup> An article in *The Times* estimated the cut to be

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<sup>120</sup>*The Guardian*, 25 July 1989.

<sup>121</sup>*The Times*, 21 February 1980.

<sup>122</sup>Session 1979-80. Cmnd 7841.

14 per cent in real terms between 1979/80 and 1983/84, compared with an overall cut in public spending over the same period of only 4 per cent.<sup>123</sup>

At the same time, *The Times* also carried reports of a number of export contracts which showed a continuing trend towards using overseas aid as a means of creating jobs in the depressed regions of Britain – a trend which we have already noted under the previous Labour Government. One such deal was a £330m contract won by Davy Corporation to build a steel plate mill in Mexico. In order to beat rivals, Britain provided £183m in cheap export credits and £35m in aid. The latter being a straight gift. A further example was a series of projects worth £360m in orders with Brazil for shipbuilding, transport, electronic and construction work. Some £300m of this was to be financed by export credits and £13m by a gift of aid which was to go towards the conversion of Santa Cruz power station from oil to coal. A third example, and by far the biggest deal, again with the Davy Corporation, was a project to build a steel works in India. This was worth £1,250 m. In this case Britain offered £600m in export credits and £150m in aid, thus making it the largest single aid project ever.<sup>124</sup>

The Aid for Trade provision was to be used in the first two examples. It had risen from 5 per cent of the aid budget under Judith Hart and had reached 8 per cent of the budget at a time when the overall budget had been cut. ATP funds were for use in countries that do not normally qualify for aid or else for projects in countries that do, but where the aid quota has already been used up. As we have noted in the previous chapter, these funds do not go through the usual development appraisal process. All other aid projects have to go through the high-powered Projects and Evaluation Committee of the Overseas Development Administration. The third deal was different. It was not from the ATP. As the *Times* article which reported these deals pointed out, it was effectively "sewn up" by the Prime Minister during her recent visit to India in the spring of that year (1980) before any pretence of appraisal could have been carried out. Of the £150m aid, £50m came out of the regular aid quota to India and another £100m came out of the "unallocated reserve" within the aid budget. The important point here was that the distinction between ATP and the rest of the aid budget was becoming blurred since, in this case, the funds from the unallocated reserve and even the country allocations were being used in the same informal way. There was a reflection, according to the article, of the shift in emphasis indicated by the Marten statement towards giving greater emphasis to political, industrial and commercial considerations. The article went on to draw the conclusion that:

"It is evident from Ministers' statements that aid is being used as a job-creating mechanism in the depressed regions of Britain. This avoids the embarrassment of an avowedly anti-interventionist government having to increase spending on its industrial support. It also avoids having – within a fixed level of overall spending – to make corresponding cuts in the aid budget."<sup>125</sup>

Although a set of rules and regulations had been agreed between major donor countries about honesty in mixing export credits with aid, a loophole existed whereby it was possible to circumvent these rules if the aid and credit terms

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<sup>123</sup>*The Times*, 14 August 1980.

<sup>124</sup>*The Times*, 12 November 1980, p17.

<sup>125</sup>*The Times*, 12 November 1980, p17.

reached a certain level of "generosity". They were treated as part of an aid programme in such circumstances and not as part of a commercial contract. Nevertheless, these methods were still considered to be sailing close to the wind and excused by the DTI because they were no worse than competitors.

As future aid minister Timothy Raison put it:

"The ODA didn't of course instinctively rather objectively like ATP. On the other hand I think it's still perfectly possible for ATP projects to be good sensible projects, but then it's perfectly well known that they were designed to help British industry, British exports and the time spent on evaluation was less than on conventional projects."<sup>126</sup>

Another Conservative MP, Jim Lestor, while calling for an increase in the ATP to help get competitive contracts signed, opposes its use for uncompetitive products:

"What we shouldn't have is a slush fund for British industry, you know, if it's uncompetitive then you shouldn't actually make it competitive by the Aid and Trade provision."<sup>127</sup>

A recent indication of the ODA's difficulties in appraising ATP projects and the sensitivity of this issue was revealed by the leaking of an internal ODA report on power generation projects to the Labour Party. This document is included in full in Appendix 2. The internal report was published as an evaluation report with a whole number of embarrassing parts deleted and replaced by innocuous-sounding evasions.<sup>128</sup>

The deletions included the names of companies involved in the projects, references to "frequent problems in identification and appraisal" and economic impact on the project being "low or negative". One of the most important deletions, however, was the following:

"For the ATP projects it involved a 'minimum test of developmental soundness'. In practice for the three cases involved, this does not seem to have been very meaningful: no test was carried out on the first part of the Burma project because no information existed, and on the second part of the project the test was based only on an acceptance of an Asian Development Bank assertion that gas turbines were the least cost option."<sup>129</sup>

Another embarrassing revelation referred to was:

"The Department of Trade and Industry/Department of Trade Appraisal provided in the case papers were described by the

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<sup>126</sup>Interview with Sir Timothy Raison. 26 February 1991.

<sup>127</sup>Interview with Jim Lester. 28 March 1991.

<sup>128</sup>ODA. *A Synthesis of Six Evaluations of ODA Large Power Generation Schemes*. July 1990. The unpublished internal report has the same title but is dated 1988. Labour Party press release. *Secret Report Shows Government Hid the Truth about Aid from Parliament*. September 1991.

<sup>129</sup>ODA. Internal Report. *Op cit*, p14, para 37 (quoted in Labour Party press release. *Op cit*, p3.

evaluators as inadequate. They contained assertions which were unsubstantiated and in the event incorrect assertions about sales prospects (Burma, Botswana)". Also deleted was the statement that "On some occasions important information available to the DTI was not conveyed to the ODA."

Further deletions referred to the "often inappropriate nature of plant design used in the projects". The statement that this was partly a result of the need to pack the ATP project with "adequate UK content" was also hidden, according to the Labour Party Press statement. According to ATP rules at least 35 per cent of ATP projects must be UK produced goods and services. Later on, however, another deletion says that these content rules were "blatantly broken" in order to approve another project.<sup>130</sup>

Another deletion says:

"In the event the equipment is now hardly used as the tariff does not cover fuel costs. The only possible justification (and one which the Indian authorities may have found difficult to resist given the relative abundance of aid for power equipment) was that such plant met the political pressure to expand generating capacity quickly."<sup>131</sup>

This is confirmed by another deletion in relation to an oil-fired power station in Sudan, which says:

"The choice of technology has been inadequate in terms of size and type...the diesel plant contains too complicated electronic controls currently disconnected and ignored."<sup>132</sup>

And, similarly, in relation to a generating plant project in Bangladesh:

"The sustainability of the project is in some doubt in that the local staff are unable to run the equipment and are thought unlikely to learn to do so given its high level of automation... the plant creates a heavy demand for spares (£0.5 million per year) for which foreign exchange is in short supply."<sup>133</sup>

As the Labour press release goes on to say:

"This paragraph goes to the heart of the controversy over ATP – it shows how ATP has been used to subsidise the off-loading of, often inappropriate, excess UK power plant capacity, on the developing countries, through a subsidy from the tax-payer, in the name of aid."<sup>134</sup>

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<sup>130</sup>*Ibid*, p16, para 44 and p18, para 49 (quoted in Labour Party press release. *Op cit*, p4-5).

<sup>131</sup>*Ibid*, p15, para 18 (quoted in Labour Party press release. *Op cit*, p4).

<sup>132</sup>*Ibid*, p30, para 22 (quoted in Labour Party press release. *Op cit*, p7).

<sup>133</sup>*Ibid*, p33, para 50 (quoted in Labour Party press release. *Op cit*, p8).

<sup>134</sup>Labour Party press release. *Op cit*, p4.

If there was any doubt about the Prime Minister's lack of enthusiasm for aid it was to be dispelled when, on 24 February 1981, she made a statement in the Commons during which she commented:

"It would be a nice position if we were able to make enormous handouts for overseas aid, but we must give our own people priority first."<sup>135</sup>

This bald statement was reported in the same article to have created a few raised eyebrows among some Tory back-benchers as well the opposition members. The statement also provoked an opposition inspired debate around a motion specifically deploring the Prime Minister's statement, which was described by one MP, Guy Barnett, as a "Freudian slip".<sup>136</sup>

Timothy Raison, who took over as aid minister after Marten, provides some revealing comments about Margaret Thatcher's priorities.

"It [the aid programme] wasn't one of her highest priorities. She approached it very much as a British politician rather than from the point of view greatly of the Third World. But I mean she would support a good project, but I think she was always interested in whether there was a pay-off for Britain, by which I mean I don't necessarily mean a financial pay-off for Britain, but whether it was serving British interests in terms of creating good relationships or maybe providing employment for British industry and so on – I think that is true.

"She liked the big projects, for instance the big Victoria dam in Sri Lanka would be an example of the project which I think she would be very enthusiastic about. I would think she was enthusiastic about the power station project in India. I mean I think these are the the kind of projects that she would see as being good because they were important prestige... or seen as as prestige projects. They, as I say, would mean a lot of work for British industrial companies. But they were also seen as being good development projects in their own right."<sup>137</sup>

The arguments used to defend the government's cuts in aid varied in their bluntness and sophistication. On the one hand there was the case of Mr John Townend, Conservative MP for Bridlington, who made the following contribution to the above debate:

"I agree with the use of overseas aid if it is to the financial and political benefit of this country. Britain has used aid in this manner for several hundred years. However, in recent years we have not had an adequate return on our investment. An example is India our largest recipient. It is clear from India's voting in the United Nations that it is far from one of our best allies.

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<sup>135</sup>Reported in *The Times*, 25 February 1981, p6.

<sup>136</sup>*Hansard*, Session 1980-81. Vol 1, c821.

<sup>137</sup>Interview with Sir Timothy Raison. 26 February 1991.

"...If the massive resources recommended by the Brandt report were put into operation, it would mean transferring resources from the relatively efficient and skilled to the relatively inefficient and unskilled; from the honest to the corrupt; from the experienced to the inexperienced; and from the productive sector of the Western economies to the parasitic public sectors of many Third World economies.

"One has only to look at those Third World economies which have succeeded – South Korea, Taiwan, Hong Kong and Singapore – to see the importance of the free market economy. One must be honest and say that racial and religious differences must play a part, because the peoples I have just mentioned are mainly of Chinese origin, compared with the Africans, whose success rate has been far worse.

"Aid will not stop the slide in Africa which has progressively accelerated since the end of Western colonisation. Under such circumstances, perhaps the only answer to the terrible things that we have seen on the continent... is some form of re-colonisation in the long term. I accept that that is completely impractical and I do not put it forward as a valid argument."<sup>138</sup>

Such bluntness, which uses crude racial stereotypes as one of its criteria, along with a simplistic and selective identity of success with the free market (Brazil springs to mind as a case where the state played a large-scale role in the economic "miracle"), is relatively rare. Instead, it is more usual to hear a more sophisticated rationale for the government policy on aid to the effect that Britain has to get its economy back in shape before it can increase its aid. However, on occasions even this more sophisticated argument can be overstated. This was the case with the statement of Lord Carrington, made simultaneously to the Marten statement to the Commons, announcing the shift in aid policy on 20 February 1980:

"What we must do is to put our economy in order before we can increase our aid programme and before we can even keep to the sum of money which we spent the year before last. These are unpalatable facts but the fact remains that we simply cannot afford to pretend that we are a rich country."<sup>139</sup>

Such an assertion would surely sound rather hollow in certain of the world's poorest countries, especially when, as we have seen, the cut in the aid budget was greater than the overall cut in public spending, and at a time when the ratio of defence spending to aid was rising. For every pound spent on aid in 1979-80, £9.7 was spent on defence. By 1983-84 the ratio was planned to rise to 1:12.9.

Another theme which cropped up in Ministerial statements was the idea that there is no conflict between development objectives and "enlightened" self-interest on the part of the donor. As the ODA Minister Chris Patten put it at a Royal Institute of International Affairs event in 1987:

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<sup>138</sup>*Hansard*, Session 1979-80. Vol 1, c833.

<sup>139</sup>*Lords Hansard*, 20 February 1980, c747.



"We should not be coy about the extent to which to do what is right can also be to do what is good for Britain... This is a case where virtue can bring its own rewards...It is no crime to be popular."<sup>140</sup>

The question revolved around whether "enlightened self-interest" was primary or secondary in relation to development objectives. The trend towards a more informal and self-interested approach to assessing aid projects which we have noted above would seem to suggest that increasingly it was self-interest that came first. A letter to *The Times* in August 1982 by Labour Spokesperson on Overseas Development, Frank McElhone, and several other Labour MPs quoted from a recent Overseas Development Institute Review on this issue:

"What has been lost is the paramountcy of development criteria in taking and executing aid decisions the 'Aid to the Poorest' strategy is still nominally alive, but the quality and poverty-relieving orientation of Britain's aid has diminished as the development assistance objectives of the programme have been subdued'.

The figures and policy changes reveal that the Government believes it has ridden out the storm of protest which blew up in the wake of its initial aid cuts and that it has successfully absorbed the impact of the widespread enthusiasm... generated by the publication of the Brandt report."<sup>141</sup>

The obstacles in the way of further shifts in emphasis away from the "More Help for the Poorest" approach were the long-term commitments which the Labour government had entered into both in terms of multilateral aid (to which the Tories were committed to withdrawing from as far as possible) and even in the case of many bilateral projects which were also often long term. The commitments to the International Development Agency, the soft loan arm of the World Bank on the other hand had to be replenished periodically, but because it lent to the poorest countries which could not get commercial credit because of their low credit rating, it would have been politically very difficult to withdraw from it even in a context in which the US was apparently trying to do so in the early 1980s. In the case of UNESCO, however, a history of alleged leftist political manipulation provided a relatively easy candidate for withdrawal in the early 1980s.

The famines in the horn of Africa which came to the attention of the media in 1984 provoked renewed interest in the aid question. Despite the magnitude of the crisis, no new funds were devoted to the aid budget to compensate for the funds spent on emergency relief operations. Indeed, just as the famines hit the headlines and television screens, the government was embroiled in a row with its own backbenchers over another round of cuts in the Foreign Office budget (which includes the aid budget). Conservative members of the House of Commons Foreign Affairs Committee led by the chair, Sir Peter Blaker, requested a meeting with the Prime Minister to lobby against the cuts and were furious when she refused to meet them.

Despite the threat of a substantial backbench rebellion, no concession was made and the most that Foreign Secretary Howe could do was to reallocate the threatened aid cuts to other departments within the Foreign Office. The drop in the

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<sup>140</sup>*The Times*, 19 March 1987.

<sup>141</sup>*The Times*, 3 August 1989, p9.

value of sterling and high inflation in the poorest Third world countries meant that, although there was a 3 per cent increase, as had originally been planned, in cash terms, it was a cut in real terms. Sixty Conservative MPs abstained and eight voted against the government in the vote. In the run-up to this, an exchange in *The Times* indicated the ferocity of the debate that was going on. Members of the Independent Group on British Aid, an organisation comprising leading development academics and development agency officers, wrote a letter protesting against the proposed cuts in aid pointing out that the feared 15 per cent cut would come on top of the 20 per cent reduction since the Conservatives came to power, and demanding the resignation of the ODA Minister if the cuts went through. The proposed cuts since 1979 would amount to a total which was three times the amount raised by charity in the same period. A *Times* leader in the same issue responded with a personal attack on one of the IGBA members, Professor Charles Elliott, in relation to some comments he had made in a radio broadcast about the politically motivated ending of British and other Western bilateral aid to Ethiopia in the late 1970s:

"The Elliott argument contends that the Marxist regime in Addis Ababa has been deprived of funds from the West because of its Soviet orientation and has thus not been able to develop the areas which are now suffering. The facts tell a different story, though they lead to the same conclusion of Western culpability. Between 1975 and 1982, the Ethiopian regime received one billion dollars of Western aid... most of which was channelled through multilateral institutions... Professor Elliott was right to blame the West for helping to disable Ethiopian peasants from meeting the challenge of drought, because it supported a regime whose active measures of oppression, large-scale evictions and prevention of peasant agriculture have all contributed as much to this catastrophe as have the years of drought."<sup>142</sup>

The editorial went on to make the barbed comment that it was "incongruous" for those who normally attack bilateral aid in favour of multilateral to call for more direct aid from Britain in a crisis. As a number of subsequent letters, including one from Professor Elliott, responding to this editorial pointed out, the writer of the editorial was confusing long-term development aid with emergency disaster relief. As the letter from Professor Elliott said:

"I am... at one with much (though not all) of what you say about the Dergue. I am especially critical of its agricultural policy and its over emphasis on industrialisation. From that, it does not follow, however, that it was either ethically justifiable or politically sensible to withhold emergency relief for 21 months, despite abundant and independently justified evidence of the need for it. By muddling development aid with emergency relief, you pillory me, but reveal only your own confusion."<sup>143</sup>

The effect of television pictures of the Ethiopian famine created a great deal of pressure for some kind of long-term developmental action as well as emergency relief. This was reflected in a Foreign Affairs Committee (which has a Conservative majority) report, *Famine in Africa*., published in 1985. It argued that:

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<sup>142</sup>*The Times*, 12 November 1984, p9.

<sup>143</sup>*The Times*, 17 November 1984, p9.

"To help in the prevention of a recurrence of the present crisis, assistance by the donor community is required in various ways for the food producing sector (principally small-holder agricultural and horticultural production), in particular in the field of environmental protection and research; but this assistance must be accompanied by continued and increased appropriate developmental assistance in other areas."<sup>144</sup>

It should be remembered that no long-term developmental assistance to Ethiopia had been given by Britain since the late 1970s for political reasons. The government response was to endorse the conclusion of the report, to commit itself to providing more emphasis on spares and replacement equipment to maintain existing investments rather than new assets, and to help with the rebuilding of national research and extension services via technical personnel.

The British record on aid to African agriculture had been somewhat uninspiring to date, as a report by the All Party Group on Overseas Development was to highlight subsequently. In 1984 only 19 per cent of bilateral project aid, globally, went to the renewable natural resources sector (which includes agriculture and conservation).<sup>145</sup>

As the All Party Group report highlighted, the real value of aid for African agriculture fell by about one third from 1979 to 1984. Aid to African agriculture accounted for only 10 per cent of the UK aid programme, even if multilateral and indirect agricultural spending were included. The report concluded from its examination of ODA figures that "direct benefit" aid to African agriculture is mainly spent on cash crops like rubber, sugar, coffee and tea; "indirect" benefit aid (like roads and infrastructure) has grown sharply recently. The breakdown of the figures was as follows: two-thirds of UK aid to African agriculture went on roads, paper and rubber schemes and a further ten per cent went on sugar, coffee, cocoa and teas projects. This compared with just 1.5 per cent for the livestock sector and 1 per cent for rural water supplies. Rural development aid has declined very sharply, from £3.7m in 1979 to £10m in 1980 to under £0.2m in 1984.<sup>146</sup>

The All-Party Group report also emphasised that commercial criteria were responsible for diverting aid from "direct" benefits (crops, livestock and forestry) towards "indirect" benefits such as roads and infrastructure. There was also a tendency to focus aid on the more productive areas rather than on the vulnerable regions. In Sudan a great deal of UK aid had gone to a massive irrigation scheme in Gezira, producing mainly cotton, rather than on small-scale irrigation for subsistence farming in the famine-prone areas of Darfur and Kordfan. Although two-thirds of all irrigated land in Sub-Saharan Africa is found in Sudan, large areas of the country were suffering from famine.<sup>147</sup>

As we have already noted, it has been government policy to shift aid away from multilateral to bilateral channels on the grounds of having more British control over

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<sup>144</sup>Foreign Affairs Committee. *Famine in Africa*. 1985. Para 102.

<sup>145</sup>ODA. *Review*, 1984.

<sup>146</sup>All-Party Group on Overseas Development. *UK Aid to African Agriculture*. ODI, 1985 (figures summarised in and quoted from: *Missed Opportunities. Report of the Independent Group on British Aid*. 1986, p14, and Clark, J. *For Richer, For Poorer*. Oxfam. p27).

<sup>147</sup>UNICEF. *Within Human Reach*. 1985 (quoted in Clark, J. *Op cit*, p28).

its distribution. Not surprisingly, therefore, British policy within the multilateral aid institutions has paralleled its bilateral reductions in aid to the poorest. The main obstacle to reducing funds has been the longevity of previous commitments under Labour. The International Development Association (IDA), as we have seen, is the soft loan arm of the World Bank which lends to the poorest countries which lack credit-worthiness in commercial terms. Although it was politically difficult to withdraw completely from the IDA, it has nevertheless suffered a substantial reduction at a time when the need for its funds has increased.

The replenishment of IDA funds comes in three-yearly cycles. The sixth (1981) replenishment saw Britain contribute \$1212m, ie 10.1 per cent of the \$12bn agreed altogether by donors. For the seventh replenishment (1984) it was cut to \$585m. This drastic cut was partly a result of the hostility of the Reagan administration to the World Bank because it did not sufficiently reflect US interests. It forced a reduction in the overall funds for the seventh replenishment from \$12bn to \$9bn against the wishes of other donors, including Britain. A further reason was Britain's insistence that its relative contribution to IDA be cut in line with its declining relative GNP compared to other donors. This was a reduction from 10.1 per cent to 6.5 per cent between the two replenishments. To its credit, Britain did make clear that it would still be willing to contribute this percentage of the original \$12bn before the US forced the reduction in overall funds and said that it would contribute its 6.1 per cent of the \$3bn difference to a special fund to supplement IDA resources. This was never taken up because of lack of agreement between donors. Just before the African famines hit the headlines in 1984, the World Bank launched a special fund to counter the shortfall in the IDA replenishment so that it could respond to this new crisis. Despite having offered the money to the IDA special fund earlier, Britain was unwilling to make the same funds available to the special fund for Africa. Britain and the US thus became the only two donors not to contribute to this fund in January 1985, despite the full glare of publicity about the famine having been focussed on this issue internationally. This provoked an outcry in Britain and an early day motion signed by over a hundred Conservative MPs. This in turn forced the government to make available £75m (\$110m) for this fund. Nevertheless, when the total British contribution to the IDA and the special fund for Africa was added together it came to only \$700m compared to \$1212m contributed to the sixth replenishment.<sup>148</sup>

Joan Lestor MP, later to become Labour spokesperson on Overseas Development, provides some interesting insights into the tensions which this issue set up within the Conservative Government, and in particular the role of Minister for Overseas development Minister Timothy Raison in relation to the Special fund for Africa:

"He fought for it. He went there [Ethiopia] at some stage if I remember rightly and he came back and he was quite horrified at what he'd seen. And I think he put pressure on... I know we were aware at that time that this question was going on because we got... I'm sure of this...that we got the sort of signal to put more pressure on him because he needed it, you know, he wanted pressure."<sup>149</sup>

This niggardly approach was repeated with the case of another multilateral institution the International Fund for Agricultural Development which was set up in the early 1970s following food shortages in several countries (including Ethiopia). Its objectives were to improve food production in these countries and thus do away

<sup>148</sup>Independent Group on British Aid. *Missed Opportunities*. Report. 1986, p28-29.

<sup>149</sup>Interview with Joan Lestor. 28.3.91.

with the need for food aid. After two years of haggling, it was agreed that in January 1986, the second replenishment of IFAD's funds would comprise of \$460m for the three year period beginning from January 1985. This was only half the previous replenishment of \$1100m. The OPEC countries, hit by the fall in the price of oil, were unwilling to contribute on the scale that they had previously done. The other Western donors insisted, however, that the OPEC countries must contribute 40 per cent to their 60 per cent. Because the OPEC countries were unable to maintain their earlier amount, the total was scaled down accordingly. Britain, again had been willing to support a figure greater than \$460m but, as with the previous case, it was not willing to transfer this amount to a special fund for African famine, despite the majority of other donors having given support to the fund and in spite of political pressure at home. The Special fund for Africa was first proposed in May 1985. It took until October 1986 for Britain to finally cough up \$10m. for the fund after much lobbying and arm-bending by a wide spectrum of politicians and development agencies.<sup>150</sup>

When, in September 1986, the ODA Minister Timothy Raison was replaced by Christopher Patten, an "open letter" appeared in the *Sunday Telegraph* from him, addressed to the new Minister, which gave him a little piece of advice about the Prime Minister "straight from the horse's mouth":

"...*The Guardian*' overstated it when they said that 'you seem to have been sadly dispatched to the salt mines of overseas aid'... I've no doubt that Geoffrey will fight the battle well. I only hope that the Prime Minister, having put you there, will be sympathetic. She has many qualities, but I can't say that over-enthusiasm for the aid programme is one of them... I couldn't help thinking, as we had our amiable farewell chat last Wednesday, that it was about the first time that I had ever had a conversation with her about what I'd been up to at the ODA... We simply don't have a big enough programme by international standards..."<sup>151</sup>

The above vividly sketches the abysmally low status that the ODA Minister had now sunk to in Whitehall terms and provides a good indication of the singular lack of political clout which he wielded in government.

Joan Lester MP sheds some light on the relations within the Conservative administration at this time in relation to aid and the demise of Timothy Raison:

"Well, all we heard at the time was, you know, she got rid of him, basically. But he was fed up because Margaret Thatcher certainly wasn't interested in Third World countries. She certainly wasn't interested in aid and development. Neither was the Chancellor – Geoffrey Howe, and Lawson under Patten. Patten told me that himself; he'd had some row when I was waiting to see him, he had some row with Lawson. At first I thought: is this being put on for my benefit? But it wasn't. I heard afterwards he'd been to see him, he'd said – look, for Christ's sake I'm being kicked all over the place, you know, I need money. And Lawson wouldn't look at him. And I think Raison, when he wrote that [the above letter] he knew he was finished in the sense that he wasn't after anything else, you know.

<sup>150</sup>IGBA. *Missed Opportunities*, *op cit*, p31-32.

<sup>151</sup>Letter to *Sunday Telegraph* (quoted from *Hansard*, 28 July 1988, c690).

And he's quite a sad man... because on certain things I think he was dedicated – he did care."<sup>152</sup>

An article in *The Times* the following year gave a further indication of this in relation to other government departments:

"Last week Alan Clark, DTI, annoyed the ODA with a package of ideas on how policy should be spruced up. Clearly enjoying the role of provocateur, he wants aid to be more commercially orientated, with less analysis of the aided country's economy and 'best interests'. Keen to transfer the administration of the Aid and Trade provision to his own realm, Clark also suggests that these funds for supporting export contracts to the Third World should be made accessible to small companies, with more emphasis on soft loans, and more say for recipients on how they spend the cash. Replying to a planted question in the House, Patten made clear that the ODA appraisal was designed to ensure that Aid and Trade provision was a 'sound investment' for the recipient (not the small businessman). But asked if he thought this aid should best be taken care of by the ODA, he was evasive. A formal response would have to wait. The fight goes on."<sup>153</sup>

The lack of support for aid within the Conservative Party and government is indicated once again by Joan Lestor:

He [Raison – CE] got very little support, very little support as indeed ...I mean Linda [Chalker] doesn't, and Patten didn't. There's a few – [Jim] Lestor and Bowen Wells and one or two others – that cluster around, but on the whole they get very little support. And it's not a popular thing for a young Tory, an aspiring Tory to have... you can make a bit of a name for yourself there because you can appear to be the human face of the Tory Party, but you'll move on... And I mean Linda Chalker survived Thatcher, but I mean she had things to contend with – Thatcher calling the ANC a lot of terrorists and she's meeting them, you know!... For Thatcher to do that was showing a certain contempt for the whole office."<sup>154</sup>

The disturbing trend towards commercialisation of the bilateral aid programme was illustrated perhaps even more vividly than previously in March 1986, when the British government offered to supply Westland helicopters to India, financed almost wholly out of India's normal country aid allocation – not the ATP. The project, worth £65m, was to supply 21 helicopters for off-shore oil exploration work. The Indian government stated that it did not wish for aid in this form, but was told that it was either the helicopters or the loss of £65m from the country allocation for the following two years. Faced with this ultimatum, it reluctantly agreed to accept them. The project was not what many within the ODA would have wished, and it was generally accepted that it was a means of helping out the ailing Westland company

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<sup>152</sup>Interview with Joan Lestor. 28 March 1991.

<sup>153</sup>*The Times*, 21 July 1987, p21.

<sup>154</sup>Interview with Joan Lestor. 28 March 1991.

after its recent and much-publicised crisis. This represented a large chunk of the aid budget spent on a project which had little to do with aiding the hungry of India.<sup>155</sup>

Other examples were brought to light by Professor Paul Mosley in evidence to the Commons Foreign Affairs Committee in July 1986. A set of gas turbines supplied to Egypt, which the Overseas Development Sub-Committee of the Foreign Affairs Committee had investigated in 1982, were found to be an extremely high cost means of supplying power and were, like the Westland helicopters, being thrust on the Egyptian government because Rolls Royce had them as unsold stock and wanted to get rid of them. The Middle Eastern division of the ODA in Amman had already rejected this project on developmental grounds, but the project was reactivated by the DTI, under pressure from Rolls Royce, and the project was rushed through the ODA with little time to reappraise the scheme. The project received support from the Aid for Trade provision and was given the go-ahead.<sup>156</sup>

Then there was the case of the 50 buses supplied by Willowbrook (a Midlands firm which had given £50,000 to Conservative funds) to the Zambian government under the Aid for Trade provision. The British High Commission staff in Zambia advised against the project because they thought the buses would not be able to withstand the pounding from Zambia's rough dirt roads. The ODA was not given time to properly appraise the project and it went through "on the nod". Within a year all of the buses had fallen apart and the Zambian government was furious. Unfortunately, by this time Willowbrook had gone into receivership.<sup>157</sup>

There have also been indications in the press that aid has been linked to arms. Reports appeared in *The Guardian* and *The Independent* in 1988 after the deals had been attacked by the Campaign Against the Arms Trade. The *Guardian* report stated that:

"Arms at well over £1 billion are to be sold to re-equip every important element of the Malaysian armed forces under a government agreement signed yesterday in London by Mrs Thatcher and the Malaysian Prime Minister, Mahathir Mohamad. The Malaysians demanded earlier this year that aid should also be included in the deal, but Downing Street insists that neither civil nor military assistance will be involved. Defence sources suggested yesterday, however, that civil contracts associated with the sales might qualify for inclusion in a separate aid programme."<sup>158</sup>

*The Independent* also reported that:

"The huge arms deal signed yesterday by Mrs Thatcher and her Malaysian counterparts will be supported by indirect credit from the British Government and largely paid for by Malaysia in oil and other commodities... Downing Street and other Whitehall sources denied that Britain was providing any direct aid to help the Malaysians finance the arms purchases. However, Malaysia will be allowed to

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<sup>155</sup>Clark, J. *Op cit*, p21.

<sup>156</sup>Commons Foreign Affairs Committee. *Bilateral Aid: Country Programmes. Minutes of Evidence*. Second Report. Session 1986-87, HCP 32, p101.

<sup>157</sup>*Ibid*, p103.

<sup>158</sup>*The Guardian*, 28 September 1988.

pay in oil, natural gas and other commodities through a series of barter deals. This is likely to involve the Government providing overdraft facilities – effectively a form of supplier credit. Parallel talks are going on which are expected to lead to an increase in the level of UK aid to Malaysia channelled through the Government's Overseas Aid Administration."<sup>159</sup>

The following year *The Observer* took up the issue and did a very big exposé which accused Thatcher of "lubricating" the arms deal with promises of civil aid.

"Mrs Thatcher has personally 'lubricated' a huge £1000 million arms deal with Malaysia involving the sale of Tornado jet fighters, artillery and radar equipment with a promise of British government aid ... the formal Memorandum of Understanding... giving the go-ahead to the Tornado sale, coincided with pledges of a large civil aid package... 'We have made it crystal clear that we do not mix the two' said a Foreign Office official. 'If the Malaysians want to make the connection they can but we do not.'... Whitehall sources concede that there were several exchanges between the two governments on aid before the arms agreement was signed but stress that the actual arms agreement does not contain any reference to aid... The ODA says it was approached by Malaysia last autumn to help finance a four-lane road highway project linking three remote resort villages in the Cameron Highlands. 'We offered a feasibility study', says a spokesman, 'but that offer has not yet been taken up'. The timing of the approach coinciding with the signing of the arms deal, insists the spokesman, was chance. British aid is already running at a high level for a potentially rich country. Two years ago a £60 million grant was made available for a water project, the largest ever allocated for a single scheme from Britain's aid and trade provision. The size of the grant and the fact that the contract was let without tender to a single British company, Biwater, whose Malaysian partner Antah is controlled by the Malaysian Negri Sembilan Royal Family, led to questions in both the Malaysian and British parliaments."<sup>160</sup>

This was followed by two months of questions in the Commons by Opposition Spokeswoman on Overseas Development Joan Lestor to elicit further details of this case. There was a good deal of resistance to these requests for information on the part of the government.

Two months later *The Observer* reported that:

"Mrs Thatcher was forced last night to admit, tacitly and very reluctantly, that a promise of British overseas aid was discussed in negotiations leading to a £1 billion arms deal with Malaysia ... The first question, put down for written priority answer on 17 May, asked the Defence Secretary whether there was any reference to overseas aid in the correspondence which led to up to last year's arms agreement with Malaysia. The Minister for Defence Procurement chose to answer a different question: 'All dealings between the two governments on the proposed sale of arms were formalised in the

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<sup>159</sup>*The Independent*, 28 September 1988.

<sup>160</sup>*The Observer*, 7 May 1989.



Memorandum of Understanding signed in September 1988. No mention is made in that document of overseas aid to Malaysia. Three weeks later, on 13 June, Miss Lestor tried again. This time the Minister for Defence Procurement was obliged to attempt to reply but his answer was still designed to mislead: 'Following the exchanges of Malaysian interest in UK overseas aid in early exchanges, my right honourable friend the Secretary of State for Defence made it clear to the Malaysian Finance Minister that it would not be acceptable to Her Majesty's Government to link aid with the defence sales package.'

Ten days later Miss Lestor tried once more to get at the truth, asking the Prime Minister to say who had indicated to the Malaysians that Britain would consider a request for overseas aid in the correspondence concerning the arms deal between the two governments. Mrs Thatcher first gave a holding reply and then this revealing response: 'The Government made it clear to the Malaysian Government on a number of occasions in 1988 that we were most willing to consider Malaysian requests for aid.' The Prime Minister's answer added that the Defence Secretary had subsequently made it clear that the provision of overseas aid, as 'an integral part' of a negotiated agreement on the defence package was not possible.

Finally last Thursday Miss Lestor ran her quarry to ground, asking the Prime Minister whether promises of aid to Malaysia had been contained in the correspondence between the two governments on the arms deal. Mrs Thatcher chose to reply: 'The contents of Government to Government correspondence are confidential.'<sup>161</sup>

The article concludes by quoting Joan Lestor as saying that she believed that, although there was no official link, the two things were clearly linked and that the parliamentary answers showed this. She also thought that it was significant that Malaysia, which was not one of the most poor countries, was receiving so much British project aid. As she has recently pointed out in relation to this controversy:

" It was never proven but it certainly put the fear of God in Chris Patten at the time – that there were any links between aid programme, offers of aid and the supplying of arms... It went on for a period of weeks in the *Sunday Observer* and he [Adam Raphael] was never sued... but I'm sure the connecting of giving of aid and the commercial side of it, of arms particularly – I think that story has still yet to come out... and I would have thought that this goes on much more than we'll ever know."<sup>162</sup>

The truth did, in fact, emerge on 18 January 1994, just as this thesis was being finalised. The former Permanent Secretary to the ODA, Sir Timothy Lankester, testified to the Commons Public Accounts Committee that there was, in fact, a "perception of linkage" between aid and arms in Malaysia (see Appendix 7 for the details of this).

The background to this increasing commercialisation of British bilateral aid was highlighted by the Independent Group on British Aid in its report, *Missed*

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<sup>161</sup> *The Observer*, 2 July 1989.

<sup>162</sup> Interview with Joan Lestor. 28 March 1991.

*Opportunities* (1986). An earlier IGBA report, *Real Aid* (1982), had sharply criticised the Aid for Trade provision. These criticisms were echoed by the Commons Foreign Affairs Committee report on the Supply Estimates (1982-83) and by a Treasury report (the Byatt report – 1983). The government defence was that other competitors used similar methods. Owing to a threat that the US might retaliate, Britain initiated and chaired an OECD discussion on "mixed credit" which agreed in principle to phase out such export subsidies and to allow for much greater disclosure of what each country was doing in this regard. At the same time, however, the exporters' lobby was campaigning for even more speeded-up procedures for ATP projects, complaining that even the nominal development appraisal of such schemes by the ODA was too slow, losing contracts for British exporters. After visits to the Far East by Lord Young and the Prime Minister in the Spring of 1985, a Cabinet review decided that a higher proportion of the aid budget should go to the ATP. In November 1985 a £2m increase in ATP was announced as part of a modest increase in the overall aid budget. This was not as big as had been feared. The important change came with the speeding up of the procedures for its use and the increased power over its disbursement by the DTI. Greater flexibility in the form in which it could be disbursed was facilitated by the use of a slice of the ATP to pay the interest on commercial loans for large construction projects. An aggressive policy of "generalised matching" to meet the subsidies of the foreign competitor nations was announced through the use of aid funds to soften private sector loans. This was to complement the existing facility by which ATP grant funds were used in association with export credits. It was necessary to involve the ODA because GATT rules prohibited the use of subsidies by non-developmental government departments such as the DTI. The 1986 White Paper on public spending for the three year period starting from 1985 projected that the amount used for the soft loan facility would rise from £3m to £20m. If this facility was removed, the slight increases in the overall aid budget were cancelled in the first year and replaced by a 0.5 per cent decline in the other two years in real terms.<sup>163</sup>

The decline in both the quantitative as well as qualitative aspects of British aid under the Conservative government has not, as we have seen, gone unchallenged. The work of the churches, development agencies and pressure groups like the Independent Group on British Aid and the World Development Movement has been important in highlighting and challenging every step of the decline. In one of the most recent generalised investigations of British bilateral aid conducted by the Commons Foreign Affairs Committee, it was the Independent Group on British Aid which provided the most telling evidence of the decline and which summarised current British aid policy weaknesses:

Professor Elliott: "... It does seem to us that there are two strands in policy. The first is the strand left over from the celebrated White Paper, *More Help for the Poorest*, which was reinforced by the events surrounding the African famine of the last couple of years... The second strand is the 1980 statement following the review that industrial, commercial and political considerations would be given greater weight. It seems to us that... in general the conflict, and the conflict goes so deep in the process of aid policy formation that it is no exaggeration to say that there is now a need for a much clearer statement of policy that does not have at its heart a fundamental contradiction."

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<sup>163</sup>IGBA. *Missed Opportunities*, *op cit*, pp22-25.

Mr Mikardo: "Would you say that the role of the industrial and commercial considerations of our aid programme is your greatest concern in terms of the quality of the programme?"

Professor Elliott: "I think our concerns about the quality of the programme follow directly from that, because a whole range of considerations follows: for example, rigid tying, a parsimonious attitude to the provision of local costs. A reluctance to supply recurrent costs, the increasing role of the ATP and the run down, as we see it of the technical expertise within the ODA. We believe all this follows from the confusion which we have identified."<sup>164</sup>

Professor Elliott went on to say that there was a mismatch between the rhetoric which was in vogue during the famines which suggested that the "More Help for the Poorest" policy was being reaffirmed and what is happening in the way the aid budget is increasingly being spent.

We continue this survey by examining, in some detail, the subsequent report of the Foreign Affairs Committee, because it dealt with most of the issues that have been raised

In this chapter, along with the government response to its recommendations. The report of the Committee recommended that the government clarify its aid objectives as the IGBA witnesses had suggested. The Government Observations on the report included a statement that there was no need for a new White Paper to set out government policy, but that it would present a more detailed, brief statement which it included with the Government Observations. This contained the following section on conflicts of objectives:

"... the objectives are not divisible... as between 'developmental' and 'non-developmental'; not are there separate 'developmental', 'commercial' and 'political' objectives. There is one objective, which is the promotion of development. This is entirely compatible with also serving our political, industrial and commercial interests... Higher living standards are likely to create stable, thriving and solvent trading partners. Development is concerned with sustainable long term benefits rather than transient, short-term ones; with political stability rather than short-term popularity; with the development of markets rather than securing an order."<sup>165</sup>

It also recommended that the ATP be removed from the ODA budget and considered separately within the public expenditure survey, with the DTI taking responsibility for the budget with the ODA retaining the role of appraiser of the developmental aspects of ATP projects. The Government reply rejected this recommendation on the grounds that it:

"...does not accept that there is any need for conflict between the commercial and other objectives of ATP. Britain's commercial interests are best served by promoting prosperity overseas and by

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<sup>164</sup>Commons Foreign Affairs Committee. *Bilateral Aid: Country Programmes*. *Op cit*, p101.

<sup>165</sup>*Bilateral Aid: Country Programmes. Observations by the Government*. Session 1986-87. Cmd 225, p1.

supporting successful projects overseas which will also enhance the reputation of British firms."<sup>166</sup>

The report did not recommend, however, that tying should be discontinued, recommending only that local costs be dealt with more flexibly, despite the fact that the former is responsible for the limitation of the latter. This is a crucial issue which is very much at the heart of a poverty orientation. It would appear to have been one which the Committee had ducked. The *Government Observations* were only too pleased to agree with this conclusion while asserting that its local costs provision was "generous".

The report also recommended that the policy of giving aid to countries "friendly" to Britain, including Commonwealth countries, and that the aid budget should continue to be spread as widely as possible for political purposes. This would appear to be a concession to non-developmental criteria.

The report did, however, recommend that emergency relief should not be allowed to decrease the resources available for long term development. This proposal was rejected on the grounds that there was a contingency reserve within the ODA budget. The scale of the 1984, and subsequent, famines were so enormous in their demands for relief that it was felt that the Central Government Contingency Reserve should have been used. The cost of relief to Ethiopia in 1984 was £95m, for example, which compared with the overall aid budget of just over a billion pounds. It is difficult to see how such a high proportion of the budget could not have affected other developmental projects.

The report also made the point that it should not be assumed that the poorest groups in a given Third World nation would necessarily benefit from economic growth and that the steps should be taken to improve the sparsity and vagueness of project evaluations in relation to the effects on lowest income groups.

The first point was not effectively acknowledged in the *Government Observations*. Instead it was simply asserted that "the long term alleviation of poverty requires economic growth to enhance employment opportunities and create the wealth necessary to improve the provision of resources to the poor". This was a reaffirmation of the "trickle-down" model of development. This was supplemented by a vague assertion that there was "much that can be done directly to help the poor participate in, and benefit from, the process of development". The claims that the ODA adequately "commits funds which directly benefit the poor" should be measured against the record of British aid outlined in the All Party Group on Overseas Aid report on *UK Aid to African Agriculture*, mentioned above. The recommendation that much more should be done in the way of evaluation of the effects of projects on the lowest income groups (which, astonishingly, it was reported by the IGBA witnesses, had never been done, or done so only in such a vague and uninformative fashion as to be useless, at any point in the history of British aid to date) was not satisfactorily answered except to state that existing procedures would be "kept under review".

Whilst the Committee reported an IGBA witness's view, that the ODA should not rely exclusively on the IMF and the World Bank to assess what "reforms" (ie structural adjustment programmes) should be made conditional for the disbursement of British programme aid, ie that it should assess these things

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<sup>166</sup>*Ibid*, p5.

independently; this was not made a recommendation in the report. The question of how the imposition of harsh austerity measures by such programmes was consistent with a concern to improve the lot of vulnerable groups, which were inevitably hit the hardest by them, was not dealt with by the report either. The *Government Observations* did claim, however, that "the ODA already required explicit consideration of this issue in proposals in support of IMF and World Bank-led programmes". It is difficult to see how this could be implemented in view of the fact that it would, seemingly, be a self-defeating exercise for those trying to impose public sector austerity, privatisation of the state sector and unfettered free market forces: such programmes could do no other than hit the vulnerable groups to achieve their aim.

The report also recommended that the extent to which the "policy environment and administrative capacity" of the recipient was "conducive to development" should be a factor in assessing its aid suitability. This suitability, apart from the obviously important question of corruption and administrative inability to cope with large amounts of aid through lack of expertise, was not specified in the report. It was, however, clear that suitable "policy environment" was interpreted in the *Government Observations* as meaning IMF/World Bank imposed "reforms".

The report recommended that the following criteria should govern the allocation of bilateral country programmes, in order of priority:

"(i) The developmental needs... assessed against:

- the degree of poverty. This should be assessed not by reference to per capita income alone, but by reference to the extent to which there are poor people within the country;
- the degree to which the policy environment and the administrative capacity of the recipient country is conducive to development;
- the degree to which the developmental needs of the country give rise to appropriate project opportunities which meet the needs of the poorest people and, in particular, to opportunities which can be met by what ODA has to offer.

(ii) Political considerations...:

- countries which are friendly to Britain or have a historic relationship with Britain, in particular the Commonwealth countries, should be favoured;
- the maintenance of at least a small programme in as many countries as possible, for political purposes, is to be encouraged so long as this does not undermine the broad concentration of resources on a much smaller number of main programmes for particular countries.
- a poor human rights record should not by itself preclude the maintenance of a bilateral aid programme, but should affect the size and nature of the programme.

(iii) Commercial considerations should have less influence in country allocations than the factors mentioned above."<sup>167</sup>

This attempt to pin the government down to this list of priorities received the following response which is perhaps the clearest statement to be extracted from them:

"The Government accepts as relevant each of the criteria for allocating bilateral country aid programme funds listed by the Committee... As has been explained in the Introduction, the Government does not see these criteria as divisible, conflicting or susceptible to listing in order of priority.

"Countries with relatively high incomes per head should be able to meet their external financing without recourse to concessional aid flows, even though they may contain significant numbers of poor people. The aid programme cannot achieve distributive justice within its recipients; but it can take account of the extent to which a recipient government is concerned about its poorest groups."<sup>168</sup>

From this response, and other statements referred to above, it is clear that the Government do not acknowledge the distortion of the developmental role of aid caused by commercial, industrial and political criteria being given greater emphasis. It is clear also that they do not intend to desist from giving these criteria even greater emphasis in future. The references to concern for the poorest groups, as Professor Elliott put it, can only be assumed to be "rhetorical". The aid budget has become at times little more than an arena for periodic "raiding parties" from the DTI and the exporting firms.

The above list of priorities makes many unacceptable concessions to non-developmental criteria. A serious commitment to alleviating poverty in the Third World would not regard historic connections as important. Neither would the need to "fly the flag" in as many countries as possible for political reasons be an important consideration. As for the question of human rights, perhaps the best approach has been that advocated by Teresa Hayter. She suggests that if a well developed domestic opposition to a repressive and corrupt regime exists which itself calls for the withdrawal of foreign aid and for sanctions (for example, South Africa before 1994) then the aid should be withdrawn. If, on the other hand, such an opposition does not exist and there is no sign of one appearing in the foreseeable future, then attempts should be made to find ways of aiding the poorest by other means, since a boycott would needlessly punish them for no good reason.<sup>169</sup>

The formulation of the human rights criterion in the Foreign Affairs Committee report above left the field open for the present government to carry on a policy of aiding repressive regimes (for example, Chile in the 1980s) where the domestic opposition was demanding the withdrawal of support by donor governments. The record of the British government has not been good on this question, and the suggestion that British aid should only be reduced cannot be seen as anything other

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<sup>167</sup>Commons Foreign Affairs Committee. *Bilateral Aid: Country Programmes*. *Op cit*, pxx.

<sup>168</sup>Observations by Government on *Bilateral Aid: Country Programmes*, *op cit*, p9.

<sup>169</sup>Hayter, T. "Solidarity Not Aid: World Economy in Crisis". Paper submitted to the Conference of Socialist Economists. July 1983, p75-77.

than a cosmetic exercise. The provision of aid to such dictatorships as the Turkish regime in the early 1980s, the Philippines under Marcos and Nicaragua under Somoza also reflect this regrettable policy.

This chapter is concluded with an examination of the ODA's response to criticisms made of it by the NGOs and pressure groups and the relationship between the NGOs and the ODA in general. Much critical information on the ODA activities comes from the NGOs, pressure groups, independent consultants based in privately- funded "think tanks" as well as academics in the universities. These organisations are well informed about the ODA and have the potential to provide very damaging publicity about the ODA and official aid in general. Chris Patten, faced with a growing public awareness on the connection between aid and poverty, gender and environmental issues shifted ODA policy towards a greater openness towards the NGOs. This openness has been recognised by John Mitchell, former Director of Britain's leading aid pressure group, the World Development Movement.<sup>170</sup>

The existence of the Joint Funding Scheme (JFS), initiated in 1975 by Judith Hart allowed for a policy of co-opting of the NGOs. As has been pointed out by Mark Robinson of the "think tank", the Overseas Development Institute (ODI), which receives ODA money itself for some of its research projects, the JFS grew from £290,000 in 1976-77 to £2.5 million in 1981-82, and to £6.2 million in 1989-90. He goes on to comment:

"As we have seen, official funding for NGOs increased substantially over the course of the 1980s, at a time when the official aid budget was declining. One result has been that relations between the ODA and the NGOs are dominated by financial considerations. Although it would be an exaggeration to claim that the government has deliberately sought to co-opt NGOs by offering them increased resources, it is nevertheless the case that voluntary agencies have become more muted in their criticism of the ODA in the 1980s".<sup>171</sup>

Robinson also points out that comments on the critical role of NGOs by Government Ministers have also put them on the defensive. He cites the following comments by Lynda Chalker:

"Honesty about the standard of aid work is essential. Not all NGOs are in fact good at grassroots development. Not all NGOs are cost effective. Some spend a great deal on glossy public relations and awards which have little to do with the poor. And there are I fear, rather too many who are readier to be unhelpfully critical of each other or of our ODA programme than to look honestly at their own failings."<sup>172</sup>

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<sup>170</sup>Mitchell, J. "Public Campaigning in the 1980s". In Bose, A and Burnell, P (eds). *Britain's Overseas Aid Since 1979*. London, 1991, p154.

<sup>171</sup>Robinson, M. "An Uncertain Partnership: the Overseas Development Administration and the Voluntary Sector in the 1980s". In Bose and Burnell. *Op cit*, p175.

<sup>172</sup>Cecil Jackson Cole Memorial Lecture at the Commonwealth Institute, London, 26 October 1989. Cited by Robinson, M, in "The ODA and the Voluntary Sector". In Bose, A and Burnell, P (eds). *Op cit*, p175.

Robinson also cites a further factor inhibiting the NGOs which is the Charity Laws which he quotes as stipulating that charities must avoid:

"seeking to influence or remedy those causes of poverty which lie in the social and political structures of countries and communities... bring pressure to bear on a government to procure a change in policies or administrative practices... (and) seeking to eliminate social, economic, political or other injustice."<sup>173</sup>

At the same time, Robinson points out that the ODA has been unenthusiastic about funding development education. A picture emerges from all of this of the ODA utilising a carrot and stick approach to the NGOs to undercut their potential for damaging criticism of official aid practice. On the one hand they stand to gain considerable sums of money if they curtail or mute their criticisms, but on the other hand they stand to lose their charitable status if they do not. Of course, charities do still criticise the ODA. It would be wrong to suggest that there is a mechanical relationship between the threat of loss of funds or charitable status and the behaviour of charities in relation to criticising official aid practice. Nevertheless, the threat is real and the charities can only sail so close to the wind. There have been attempts to set up independent non-charitable campaigning organisations to take over the role of criticising official aid, but they suffer from shoestring budgets and lack the resources of the mainstream charities.

The independent consultants involved in advising and evaluating ODA projects, whether they are from private "think tanks" or university departments, are also constrained by similar pressures to those at work on the NGOs. They will only be asked to undertake such consultancy work to the extent that they operate within certain limits in terms of the conclusions they draw. Those who do not will find themselves cut off as was Teresa Hayter, of the privately-funded "think tank", the Overseas Development Institute, in the early seventies. When she produced a report funded by the World Bank which was critical of them the ODI refused to publish it under pressure from the Bank.<sup>174</sup>

Similarly, many consultants in university departments face the same unstated conditions of employment. They too can become dependent on ODA funding for the research projects. They too will only be invited to act as consultants on ODA projects to the extent that their conclusions are within the limits which are acceptable to the ODA. It is not a question of the ODA not accepting any criticisms: that would be too mechanical an understanding of the constraints which are imposed. It is a question of limits to criticism. This is inevitable as long as the ODA is able to select its own evaluators. As Hancock has noted:

"Those of us, for example, who wish to evaluate the progress or effectiveness or quality of development assistance will soon discover that the aid bureaucracies have already carried out all the evaluations that they believe to be necessary and are prepared to resist – with armour plated resolve – the 'ignorant', or 'biased' or 'hostile' attentions of outsiders. Even the few apparently independent studies in this field turn out in the majority of cases to have been financed by one or other of the aid agencies or by institutes set up

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<sup>173</sup>Charity Commissioners for England and Wales. *Political Activities by Charities*. London, 1986. Quoted by Robinson, M in Bose and Burnell. *Op cit*, p175.

<sup>174</sup>Hayter, T. *Aid Is Imperialism*. 1971.



with aid money. And where there is no such direct link, more subtle influences are generally at work. Academics at schools of development studies, for instance, often aspire to highly-paid jobs in the United Nations or the World Bank and can be forgiven for not biting too hard the hand that feeds them. Western journalists investigating projects to poor countries usually do so under aid agency auspices and tend to come away with a partisan view of what they have seen."<sup>175</sup>

Recent examples of leading critics from the NGOs being recruited to official aid agencies include John Mitchell, former director of the World Development Movement who is now working for the World Bank, as is Oxfam's former Policy Adviser, John Clark, both of whom are members of the Independent Group on British Aid.

There have also been some attempts at co-opting lobby organisations seeking to change ODA policy. An example is the National Alliance of Women's Organisations (NAWO), which has been engaged in lobbying the ODA for a number of years on gender issues. They have received funding from the ODA for a project which they are carrying out to help NGOs improve their own gender policies and practices. The point about this is not that it will necessarily stop this organisation from continuing to effectively lobby the ODA. Again, it would be wrong to imply a mechanical relationship here. It is that there is a danger that the threat of cutting this funding will involve a certain amount of self-censorship in order not to "bite too hard the hand that feeds it", as Hancock puts it. These mechanisms can be very subtle.

There is no doubt that under Chris Patten a shift towards co-opting the NGOs did take place. He also instituted a number of changes in ODA policy and practice in relation to gender and the environment which have taken on board some of the proposals of the NGO critics. This adaptation to NGO proposals may also be seen as part of the policy of co-opting of NGOs. This was done by modifying those aspects of policy and practice most exposed to damaging criticism by a powerful environment and gender lobby. The extent of public awareness of, and media attention devoted to, environmental issues in particular meant that it was no longer tenable for the ODA to ignore these issues.

An example of this is the Bangladeshi Rural Advancement Committee Project, a poverty focussed project aimed at the rural landless with an emphasis on gender issues implemented by a Bangladeshi NGO. In the internal project report it says in a paragraph justifying the project:

"ODA participation in this project would go some way to counter criticism by the UK aid lobby that aid to Bangladesh carries insufficient benefits for the poorest."<sup>176</sup>

Whatever changes have taken place in ODA procedures and practice in relation to poverty focus, gender and the environment, it should be borne in mind that the amount of the aid budget spent on projects relating to these areas is still a small fraction of the total aid budget otherwise spent on infrastructure and cash crops, unrelated to what the UNDP calls "human development" (see figures in chapter on

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<sup>175</sup>Hancock, G. *Lords of Poverty* op cit, pxiii-xiv.

<sup>176</sup>ODA Projects and Evaluations Committee. *Bangladesh Rural Advancement Committee (BRAC) Project*. 1990, para 18.

quantitative aspects of British aid). In such a context, the changes instituted by Patten and fought for by some dedicated and enlightened members of the ODA staff and lobby organisations can nevertheless only be described as being cosmetic in their scope.

Patten was flexible enough to see that changes in relation to these issues were necessary if the ODA was not to lose credibility. He was also instrumental, as Mitchell has noted, in using his position as chair of the European Community Council of Ministers in 1986 to reform EC food aid. This reform separated the food aid programme from the dumping of European farm surpluses. He also demonstrated a willingness to take on board proposals from pressure groups. Mitchell cites the World Development Movement proposals that the ODA should contribute to the IFAD Special Fund for Africa and that it should increase its contribution to UNICEF. Patten agreed to both of these proposals and admitted that he had been influenced by the WDM in making these decisions.<sup>177</sup>

ODA social development advisers, for example, are at pains to stress the changes in ODA procedures since Patten's time. Some of these changes will be described in the chapters on gender and the environment. In relation to changes in terms of poverty focus, the number of social development advisers is clearly important. Criticisms have been levelled that there are nowhere near enough advisers to enable all projects to be properly monitored. Only 28 per cent by value of all ODA projects were monitored by social development advisers, according to an analysis referred to in the Oxfam White Paper published in 1987.<sup>178</sup>

The response of the ODA social development advisers to these claims is to accept that there are not enough social development advisers, but to point out also that they are increasing in numbers. In 1986 there were just two social development advisers in London. Now there are five in London and two in the overseas development divisions. However, while every division has its own economist they do not all have a social development adviser. One social development adviser at the ODA claimed that in her opinion they would need at least ten social development advisers to do the job properly.<sup>179</sup>

The same social development adviser also claimed that at the moment they were not able to monitor all ODA projects. They did not have time to monitor multilateral projects and that this was particularly bad because it was claimed that the multilateral and EC aid agencies were even worse than ODA in terms of social development advice. They were not able to monitor disaster relief. The Joint Funding Scheme was sub-contracted out to Edinburgh University. In terms of evaluation it was claimed that if there was a bad project it is likely that it would not be evaluated because they are expensive to do and the money available is limited. It was also claimed that it is quite likely that the ODA projects only reached those farmers with access to credit, those without it were very hard to reach.<sup>180</sup>

In terms of the proportion of projects which the social development advisers were able to scrutinise one social development adviser had this to say:

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<sup>177</sup>Mitchell, J. *Public Campaigning in the 1980s*, *op cit*, p153-4.

<sup>178</sup>Quoted in Clark, J. *Oxfam White Paper*, *op cit*, p9.

<sup>179</sup>Interview with Pat Holden, ODA Social Development Adviser, 23 April 1991.

<sup>180</sup>Interview with Pat Holden. 23 April 1991.

"... bigger projects – we see them all. You know we have a Projects and Evaluations Committee, the PEC. Big projects used to be above £3 million and now it's above £5 million. Projects above £5 million must go to the PEC. And mandatorily they must go the Senior Development Adviser to be looked at. So yes, all big projects we see. I don't think we see all the smaller projects. How many we miss I don't know."<sup>181</sup>

This indicates that there is a problem of scrutinising projects. Big projects do not in fact account for much of the aid programme as the ODA had indicated. In 1987 the ODA wrote to Julia Mazza of War on Want stating that:

"British aid finances projects ranging from those costing a few thousand pounds to several million pounds, but 90 per cent of our projects amount to less than £1 million. Only exceptionally do we finance the very big projects that get so much publicity."<sup>182</sup>

Or, we might add, get any scrutiny by social development advisers. As inflation eats into the value of "big projects" the cut off point gets bigger: in 1987, when Mazza was in correspondence with the ODA, the "big projects" were those over £1 million; they were subsequently projects over £3 million and now they are projects over £5 million. Thus it would seem that, assuming that these "big projects" account for a similar proportion of the aid budget, less than ten per cent of the aid programme, ie "big projects", must mandatorily even be scrutinised let alone modified by the social development advisers.

Thus there is still some way to go in terms of social development advisers' ability to effectively scrutinise projects. A step in the right direction has recently been taken by the decision to give the social development advisers their own department separate from the economic advisers: this should increase their status and weight within the ODA to some extent.

A symposium on aid organised by ActionAid in October 1987 provides some illuminating glimpses at the relations between NGOs and the ODA. Chris Patten and Paul Mosley were the main speakers at this event, and we have already seen in the chapter on Labour aid policy what lessons the latter had drawn in relation to poverty-focussed projects in the 1970s. These were expressed in a report specially written for the ActionAid symposium which has already been referred to elsewhere in this thesis.<sup>183</sup>

The chapter on Labour aid policy has already discussed the lessons of the 1970s poverty-focussed projects contained within Mosley's report. Chris Patten's reaction at the symposium was to defend the need to promote economic growth. He agreed that there was a need to tackle poverty alleviation directly by recognising the importance of agricultural development and social services. However, he uncritically defended road-building within agriculturally-related aid and suggested that social services could be improved by making them more "efficient" implying a shake-out of

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<sup>181</sup>Interview with Rosalind Eyben, Senior Social Development Adviser, ODA. 4 July 1991.

<sup>182</sup>Mazza, J. *Op cit*, p21.

<sup>183</sup>ActionAid/Mosley, P. *Poverty-Focussed Aid: The Lessons of Experience Report for ActionAid op cit*. This also contains the Proceedings of the ActionAid Symposium, 5 October 1987..

labour and an intensification of workload on the remaining workforce with all the neo-colonialist overtones that this approach necessarily entails. He also spoke of the need to eliminate agricultural protectionism in the North without stating that there was a narrower British interest in this policy in relation to EC subsidies. He also defended infrastructure projects in an uncritical way, ie without recognising that these are often motivated by the export lobby and not developmental imperatives. Patten also defended Structural Adjustment Lending. He argued in favour of doing this with a human face, but for the following reason:

"... not least because I think structural adjustment programmes are more likely to work if we do, but I am not going to put myself in the situation in which I am advocating or working for the sort of global egalitarianism which I find it difficult to accept in national terms".<sup>184</sup>

This is at least honest. It does, however, reveal the true ODA motive behind "structural adjustment with a human face".

He suggested that the "Real Aid" lobby should cooperate with the commercial export lobby to create a "wider constituency" for aid. Strongly criticising official aid and attacking the commercial lobby undermined the potential for creating this wider constituency, he argued.

One of Mosley's criticism's of the ODA was its failure to commission proper evaluations of the impact of projects on income distribution and the effects on different socio-economic groups. The numbers of such studies by any donor anywhere in the world could be counted on the fingers of one's hands, he said. This drew a reply from a former ODA staff member, Basil Cracknell, who suggested that Mosley more than anyone should be aware of the difficulty of doing such studies because he was employed by the ODA some years previously to do such a study in Peru and the result was extremely hard to assess. Mosley replied that this was because the ODA had axed the project before he had had a chance to measure the results. Mosley stuck to his point and tried to pin Chris Patten down to commission just one such study. Patten said he would discuss this issue and let him know.<sup>185</sup>

When interviewed about this issue in 1991, however, Mosley claimed that no such study had yet been implemented.<sup>186</sup>

Mosley elaborated on this theme at the symposium, saying that what worried him was that the sheer difficulty of such studies was being used as a criterion for deciding whether or not to continue or to terminate them and that this might explain why agriculture remains a relatively small part of the ODA portfolio. The difficulties should be tackled and overcome rather than cited as a reason for preferring projects which are much more simple to run administratively, he argued.

Another ODA contributor to the symposium, Brian Thomson, said there was a contradiction between Mosley's proposal to increase rural development spending and his advice about not overloading the local administrative structure. Mosley replied by suggesting that local autonomous rural development agencies based in

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<sup>184</sup>ActionAid. *ActionAid Symposium on Poverty-Focussed Aid. Transcript of Proceedings*, p12. In Mosley, P. *Op cit*.

<sup>185</sup>*Ibid*, p16.

<sup>186</sup>interview with Paul Mosley. 19 December 1991.

particular regions might be set up to implement such projects, as had been done by the World Bank. The other solution was to give more programme aid rather than project aid.

There are obvious issues of neo-colonialism in the former proposal which are problematical. What this debate really indicates is that there are limits to what aid can legitimately do in a context of administratively weak recipient country structures. Patten also spoke in the symposium about the problems of neo-colonialism encountered in trying to persuade recipient governments of the need to shift for example health-care away from institutional health-care towards primary health care. It is important to bear in mind however that these governments are often sustained in power by the North – aid being one method of doing this. The "solidarity not aid" critique (see Conclusion) suggests that what is necessary is to help the poor to clear away the very institutions and governments which perpetuate weak, incompetent and corrupt administrative structures and replace them with institutions more responsive to their needs. The North has never hesitated to violate Third World sovereignty when it has suited it – contrary to Patten's worries over the dangers of imperialism in relation to primary health-care.

A further contributor, Yao Agbesi of ActionAid, criticised Mosley's report for arguing for more aid for the renewable natural resources sector. He said:

"My comment is that I think the history of British colonialism in the main has been a history of vast investments in raw materials and the impact on rates of development is left to anyone's imagination really. I think what would make Britain *semper primus* in the world, would be aid which is geared more towards manufacturing and processing of be it raw materials and agricultural produce. I think that it is in that aspect of any development programme that the real growth and development does take place. I mean the history of Europe and America development only goes to point to that."<sup>187</sup>

There would appear to be an element of confusion in this contribution because it is obviously necessary to increase resources to renewable natural resources in order to implement a poverty-focussed aid programme. Nevertheless, it is true that British colonialism historically invested in raw materials and wiped out domestic industries in the colonies through free-trade policies. What it does not point out, however, is that it is not in the interest of the North to sustain industries that would compete with its own industrial and commercial activities. This does not mean that it will not invest where such enterprise are controlled by multinational corporations, however. It has already been pointed out elsewhere in this thesis that populist ideas within the development and environmental lobby either ignore this aspect of the question or else are opposed to it.

This symposium served to shed a good deal of light on what progress there had been in government attitudes on the question of implementing a poverty-focussed aid programme in the late 1980s. It indicates that there had been step backwards in term of policy-based lending. Patten was able to say:

"What I find encouraging about the debate more recently is that nearly everyone recognises that adjustment is actually necessary.

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<sup>187</sup>ActionAid. *Proceedings*, p20.

The issue is how we design programmes that are politically tenable and will protect the poorest".<sup>188</sup>

In terms of tackling poverty directly, Patten defended the status quo in relation to roads in agriculturally-related aid. On the crucial question of commissioning studies on measuring properly the effects of projects on the poor and other income groups there has been no movement. We have seen how the projects are not effectively monitored because of the still inadequate number (despite increases in staffing) of social development advisers. It is clear that the poverty-focus of projects is nowhere near adequate. The question of Patten's approach to gender and environment will be considered later in this thesis.

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<sup>188</sup>*Ibid*, p8.

## Chapter 5

### A Quantitative Comparison of Labour and Conservative Aid Programmes (1974-90)

#### Different Measures of British Aid

It is important to specify which of the several measures of aid are being used in any quantitative comparison. The three common measures in use are:-

- 1 Official Development Assistance. This is the internationally recognised measure and the one used by the Development Assistance Committee (DAC) of the OECD. Grants and loans must meet the following criteria:
  - a) that they are official;
  - b) that they are for developmental purposes and, in the case of loans:
  - c) that they are sufficiently concessional (ie with a grant element of 25 per cent or more). Loans which fail this last criterion are classified as Other Official Flows (OOF).
- 2 Public Expenditure on Overseas Aid (PE). This is a general British public expenditure measure that lumps together the Overseas Development Administration budget and net self-financed investment by the Commonwealth Development Corporation (CDC). This latter agency is required to make its investments in the expectation of a financial return. Many of its loans do not qualify, therefore, as ODA, but as OOF.
- 3 The Aid Programme. This is a narrower departmental measure which comprises solely the budget administered by the Overseas Development Administration. Some of the loans made under this heading may not be sufficiently concessional to qualify as ODA.

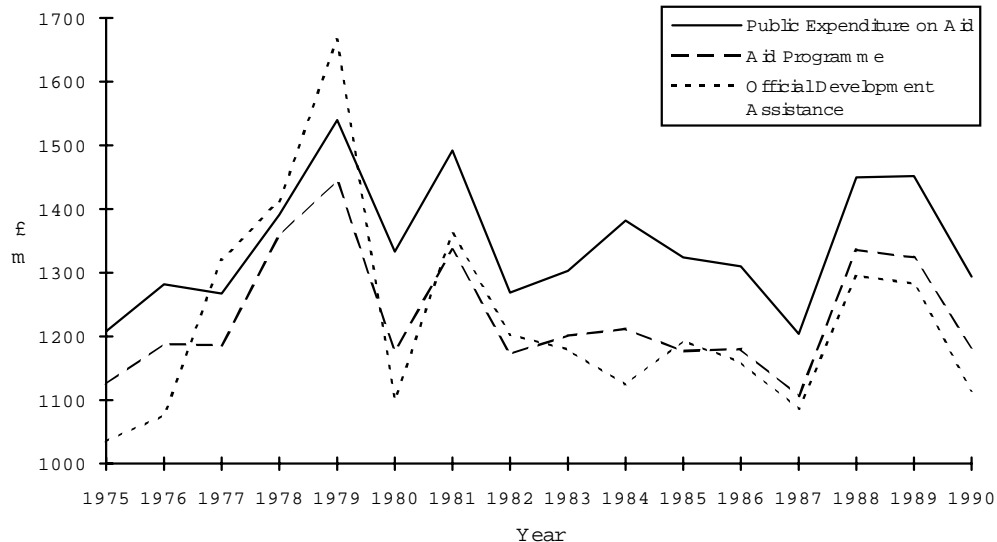
The important distinction, then, between the international measure, ODA, on the one hand and the British Governmental measures represented by PE and the Aid Programme on the other, is that the first excludes flows on market terms while the latter two do not. The usefulness, however, of the Public Expenditure on Overseas Aid measure is that it provides a good index of government priorities when considered as a proportion of total public expenditure.

#### Shifts in the Volume of British Aid

The main source of information about quantitative shifts in British aid is British Aid Statistics published by the Overseas Development Administration. However, in addition to this, extensive use will be made of a set of statistics produced by Jessica Woodroffe and Kathy Jones of Christian Aid, which are based on these Government figures, but which improve on these in a number of ways. For example they adjust the figures for inflation in many places where the Government's statistics do not – allowing comparison of the real value of aid. This practice of putting figures in constant prices has been extended for the purpose of this thesis to other tables in Woodroffe and Jones for the sake of consistency. Woodroffe and Jones also give percentage calculations at a level not provided by any other publication which allow policy implications to be analysed. Another advantage is that they cover the period 1975 to 1990, which is particularly useful for the purposes of the present study.

An overall picture of the shifts in volume of British aid according to all three measures is provided by Figure 1 and Table 1.

**Figure 1: Public Expenditure on Aid, Aid Programme, Official Development Assistance, 1975-90. Current and 1985 Constant Prices.**



*Source: British Aid Statistics.*

Table 1 gives constant figures in 1985 prices, as well as current ones. It can be seen from this that, in real terms, Official Development Assistance, which excludes flows at market terms, in 1987 at the end of two consecutive Conservative terms of office, stood at 65 per cent of its 1979 level, while Public Expenditure on Overseas Aid, which does not exclude flows at market terms, stood at 78 per cent. At the end of the Thatcher period of office these percentages were not significantly different: ODA was 67 per cent and PE was 84 per cent of the 1979 level.

It can also be seen that the progress which Britain has made towards reaching the UN target for Official Development Assistance (0.7 per cent of GNP) has been less than impressive. We will say more about this below. The figure of 67 per cent for the reduction in volume of Official Development Assistance, in real terms since 1979, is a striking indication of the effects of the deprioritisation of aid under the Thatcher administration. Effectively, British Official Development Assistance was cut in value by a third in a period of eight years and it had not recovered significantly from this level at the time she left office. This would be remarkable at the best of times. It is even more remarkable when it is recalled that this occurred in a period during which the nation's television screens were, for a good deal of the time, filled with harrowing pictures of famine in Africa. It was also a time when public interest in raising funds through initiatives such as Band Aid and Comic Relief to relieve the famine was at an all-time high. It would seem, therefore, that while the population (particularly the youth) of Britain were strongly motivated to raise funds for Africa through large-scale benefit concerts and television Sports Aid initiatives, the government had the opposite motivation. The reductions in official aid effectively cancelled out much of the increased private aid raised in the 1980s.

Public Expenditure on Overseas Aid as a percentage of Total Public Spending over the period we are dealing with is given in Figure 2 and Table 2. This shows us that under the Thatcher administration aid was cut disproportionately compared to public spending as a whole. The figure for 1987 after two terms of Conservative rule, was



the lowest since 1975, and there was a distinct downward trend after the peak figure in 1979 (the last year of the Labour Government) with the exception of 1984. Thereafter there was a complete collapse of this percentage. The 1990 figure was down by 20 per cent on the 1979 figure. This can only be regarded as evidence of a very low priority given to aid by the Thatcher Government. The usefulness of this particular statistic is that it enables one to see that this is the actual policy of the Thatcher Government. Despite the oft-repeated claims that aid had been cut because of general austerity policies necessitated by the state of the economy, it is possible to see, through this statistic, that aid has been cut at a greater rate than the public expenditure cutbacks in general. This has been an important indication of the real policy of the Thatcher Government and it is one with which the development lobby has strongly taken issue. A more detailed account of this policy can be found in the chapter on the aid policy of the Thatcher government elsewhere in this thesis. Of course, it should also be borne in mind that quantitative increases or decreases in aid should be viewed from the perspective of conditionality. As is pointed out in the conclusion, demands for increased aid (or complaints about decreased aid) are insufficient if conditionality is not addressed also. Without eliminating conditionality, aid will continue to be a lever for the imposition of Northern macro-economic policies (and increasingly political dictats as well).

**Figure 2: Gross Public Expenditure on Overseas Aid as a Percentage of Total Public Expenditure.**



Source: *British Overseas Aid 1975-87; British Overseas Aid 1975-90; British Aid Statistics (ODA); CSO Economic Trends:Annual Supplement:*

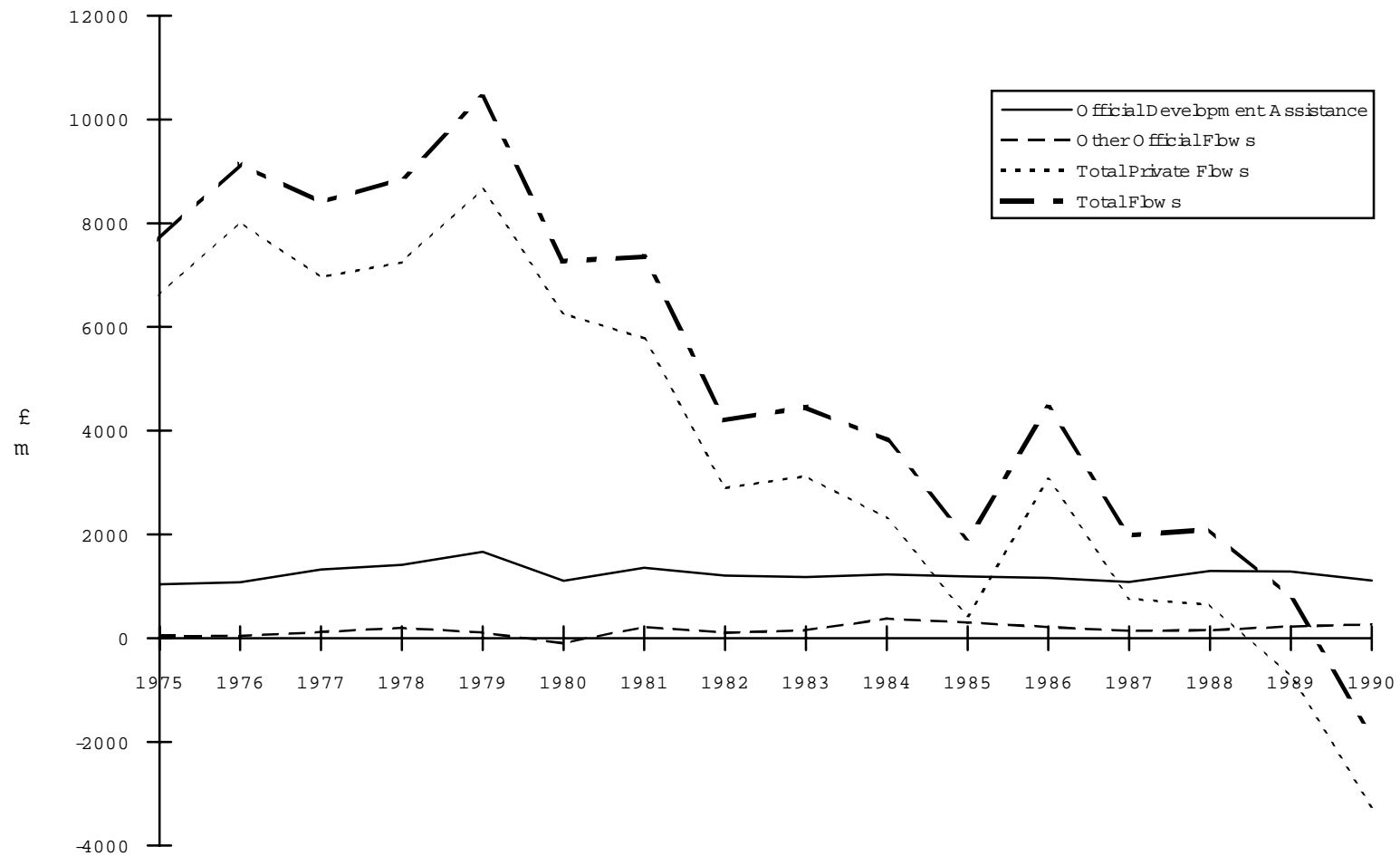
Christian Aid information (p9) from *British Aid Statistics (ODA):*

1979-83 pviii  
1980-84 pvii  
1982-86 pvi  
1986-90 p4

*CSO Economic Trends:Annual Supplement:*

1987, p153.  
July 1987 edition, p56.  
Annual Supplement 1988, pp8 &13  
August 1988 edition, pp 8 & 14.

**Figure 3(a): Breakdown of Total Net Flows from the UK to Developing Countries, 1975-90 (£million, Constant 1980 Prices).**



Source: British Aid Statistics; British Overseas Aid.

The picture in terms of Total Financial Flows is summarised in Figures 3(a) and 3(b) and Table 3. This allows us to compare the relative weight of ODA, OOF and private flows. It can be seen, that compared to 1979, the position in 1990 was such that, in real terms (constant 1985 prices), Official Development Assistance was lower, Other Official Flows were higher and Private Flows would appear to have collapsed. One reason for the increase in Other Official Flows is, as Woodroffe and Jones point out, the increase in Commonwealth Development Corporation (CDC) project loans many of which are linked to cash-crop activities. In 1975 these accounted for 4 per cent of total bilateral aid (£35m). In 1979 they accounted for 6 per cent of total bilateral aid (£72m). By 1990 these figures had shot up to 13 per cent and £103m respectively (1985 constant prices). This represents a 43 per cent increase in the constant price figures and a doubling in terms of the percentages of bilateral aid over the course of the Thatcher administration. The CDC is obliged to seek a return on its investments and many of its loans, therefore, do not qualify as Official Development Assistance and consequently form a large part of Other Official Flows.

**Figure 3(b): UK Total Net Flows to Developing Countries as a Percentage of UK GNP.**

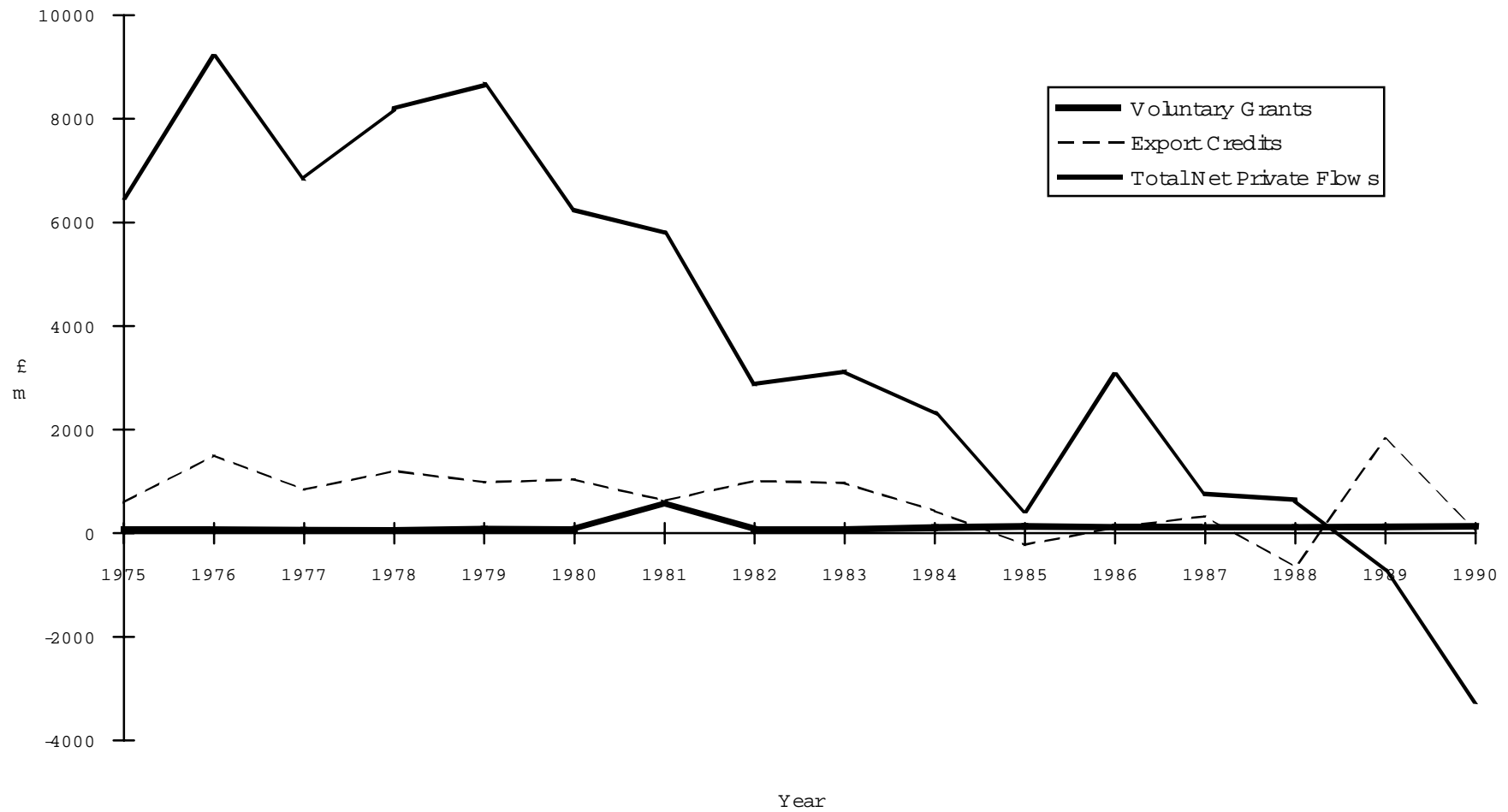


Source: *British Aid Statistics; British Overseas Aid.*

The collapse in private flows can be analysed from the information contained in Figures 4(a) and 4(b) and Table 4. Here it can be seen that, in 1985 prices, the value of net private flows in 1987 was 1.5 per cent of its value in 1979. There was a subsequent further collapse into negative flows of £-3249 in 1985 prices. As Woodroffe and Jones have noted, as a result of the debt crisis British banks have greatly reduced their bank lending to the South. This in turn has resulted in the situation whereby the banks have recovered more from the developing countries than they have lent. In 1987 there was a negative flow from developing countries to British banks of £-1395m. By 1990 this negative flow had increased to a massive £-4576.<sup>189</sup>

<sup>189</sup>This figure understates the amounts of money being sucked out of the South because net private flows, unlike the figures for net private transfers, do not include interest payments to the banks and profit repatriation on direct investments. Information on net transfers is not available for Britain as it is on a global basis. See Appendix 3 for more on this.

**Figure 4(a): Composition of Net Private Flows, UK to Developing Countries, 1975-90 (£million, Constant 1985 Prices).**

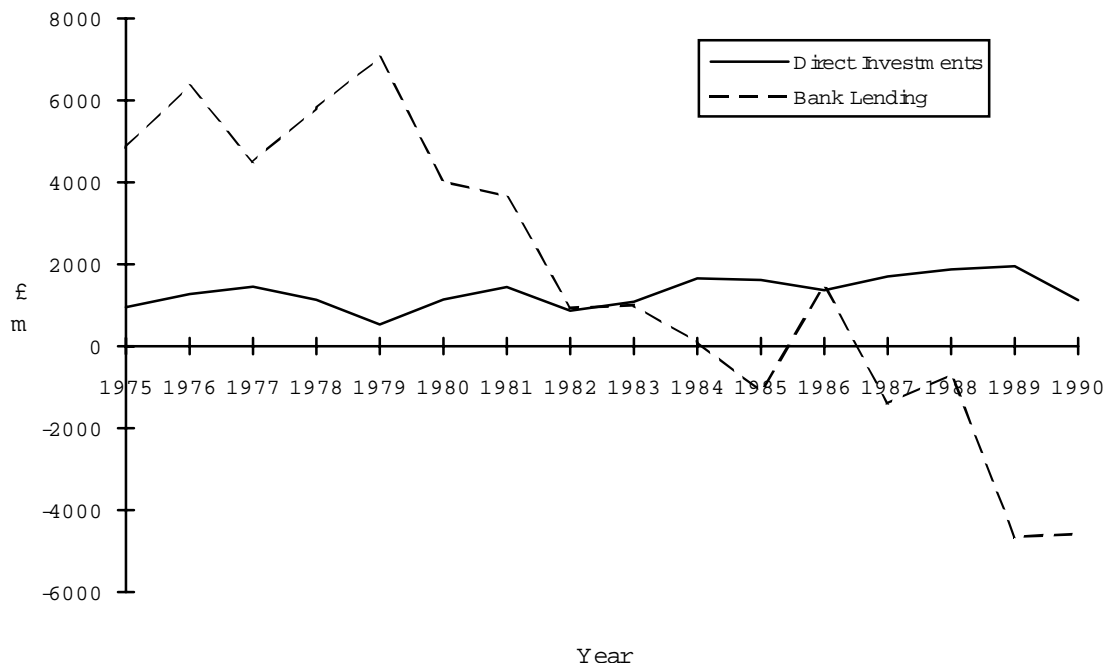


Source: ODA. *British Aid Statistics; British Overseas Aid 1975-90.*

This, in turn, has resulted in negative values of long-term investment (bank lending and direct investments taken together): in 1990 this was £-3451m. Voluntary grants from private charities, by contrast, have at the same time increased their relative role and in 1987 they accounted for almost one-third of positive flows to the South (assuming that long-term investments – ie direct investments and bank lending – is treated as a single category and not separately). In 1990 this had increased to 68 per cent.<sup>190</sup>

The unreliability of private sector finance is evident from the above. When things do not go well in the private sector, finance dries up. The constancy of official finance is evident, while private money fluctuates wildly (see Figure 3(a)). The collapse of the private flows has been very dramatic indeed.

**Figure 4(b): Composition of Long-Term UK Investments in Developing Countries, 1975-90 (Constant 1980 Prices).**



Source: *British Aid Statistics; British Overseas Aid 1975-90*.

### British Aid Trends and International Targets on Volume of Aid

In comparing the volume of the British aid programme under the Labour and Conservative Governments since 1974, it is useful to bear in mind the international agreements on minimum levels of aid as a percentage of donor country GNP. In 1960 the UN General Assembly agreed that the target for financial flows from North to South should be 1 per cent of GNP and that, of this, 0.7 per cent should be Official Development Assistance (ODA). Further to this, in 1981 in Paris, a conference of donor and recipient nations proposed that a minimum of 0.15 per cent of GNP should go to the least developed countries. Most donors either agreed

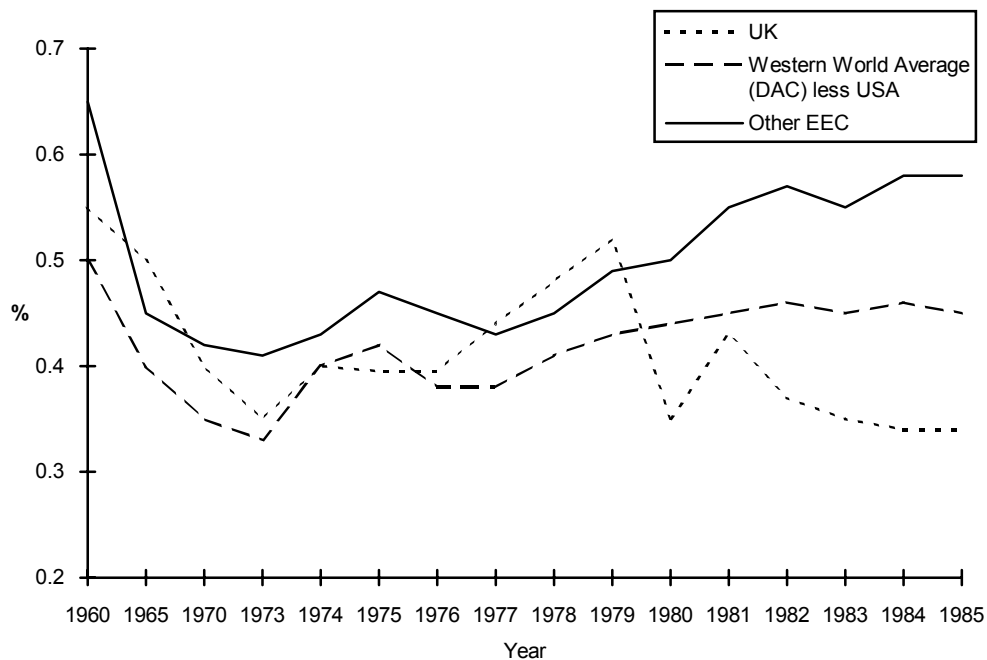
<sup>190</sup>The 1992 edition of Christian Aid's annual analysis of British aid statistics, *British Overseas Aid 1975-90*, contains a number of errors in the conversion of figures from current to 1985 constant prices on Table 6. The effect of this is to inadvertently grossly understate the extent of negative flows in the constant price columns.

to implement this latter figure or, failing this, to double the existing amount of their aid budget devoted to these nations.

British Official Development Assistance as a percentage of GNP has varied a good deal since the 0.7 per cent target was established. The 0.28 per cent figure for 1987, given in Table 1, was the worst ever and was almost half the figure for 1979, the last year of the Labour Government. In 1990 the figure of 0.27 per cent was worse still after a brief recovery. Both Labour and Conservative governments have repeatedly refused to even set a timetable for achieving the target. The House of Commons Foreign Affairs Committee, however, recently came out in favour of setting such a timetable in a recent report.<sup>191</sup>

The Overseas Development Administration maintains that its figures are not significantly different to the average of other major donor countries. However, the USA is such a large economy that any reduction in its aid budget gives the false impression that the major donors as a whole are reducing their aid significantly. Chart A, therefore, shows how British aid compares with the other major donors minus the USA, as well as with other EC donor countries. Britain would have had to increase its aid budget by 70 per cent in 1985 to come into line with the other EC budgets.<sup>192</sup>

**Chart A: Percentage GNP Allocated as Aid (Disbursements), 1960-1985**



Reproduced from Clark, J. *For Richer, For Poorer*, by permission of Oxfam.

Source: OECD data; 1960-1983, OECD, *Development Co-operation* (various Issues); 1984, World Bank, *World Development Report 1985*; 1985, ODA, 1985 Annual Report.

With regard to total financial flows, for which the UN set a target of 1 per cent of GNP, Britain, despite its high levels in previous years (see Figure 3), sunk to well below this level in 1987 achieving a mere 0.34 per cent of GNP. In 1990 it became negative for the first time. The ODA has always maintained that this was the most

<sup>191</sup>House of Commons Foreign Affairs Committee. *Fourth Report*. Session 1987-88, pxii.

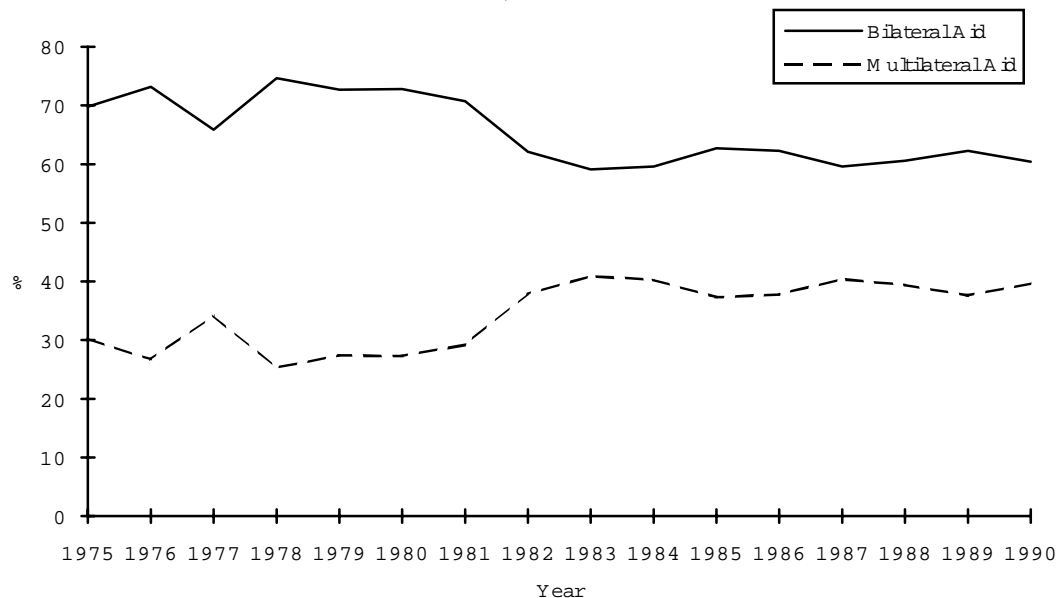
<sup>192</sup>Clark, J. *For Richer For Poorer*. *Op cit*, pp15-18.

important statistic because it included all types of flows to recipients, not just official aid. In 1975 it was 2.78 per cent of GNP well above the UN target as indeed it was in 1979 at 3.25 per cent of GNP. This was said to compensate for Britain's poor showing in terms of ODA as a percentage of GNP. The 1990 figure of -0.46 per cent is thus a particularly embarrassing one for the ODA. This reflects a decrease in public aid as a result of the disproportionate cuts compared to general public sector austerity levels as well as the dramatic collapse of private lending as a result of the debt crisis. Once again, it should be borne in mind that demands for quantitative increases (or percentage increases) should go alongside demands for the ending of conditionality. It would seem that Britain could do more in percentage terms to offset its collapse in the private sector by increasing official development assistance (ODA) to the internationally-agreed target of 0.7 per cent of GNP.

### Multilateral vs Bilateral Flows

Multilateral aid has taken up an increasing proportion of British aid during the period under scrutiny. As Figure 5 and Table 5 show, multilateral aid accounted for 30.2 per cent of gross total spending in 1975 and 40.4 per cent in 1987. In 1990 this figure has not significantly changed. This reflects the slow growth of total aid spending compared to the growth rate of multilateral spending. The long-term nature of multilateral commitments also limit the possibilities for cutbacks. The Thatcher government has been unable, despite its strenuous efforts to redirect aid into bilateral channels (which it sees as being more directly controllable), to reverse the trend towards an increasing proportion of British aid being taken up by multilateral aid. This graph, therefore, exposes the fact that the British commitment to aid is considerably weaker than that of the rest of the economically advanced world as a whole.

**Figure 5: Bilateral/Multilateral Aid as a Percentage of Gross Total UK Expenditure on Aid, 1975-90.**



Source: *British Aid Statistics; British Overseas Aid 1975-87; British Aid 1975-90.*

Figure 5(a) and Table 5(a) show a breakdown of bilateral aid. The first thing which shows up is the decline of ODA project aid from 30 per cent of bilateral aid in 1975 to 17 per cent in 1990. This has happened at the same time that CDC project loans

**Figure 5(a): Breakdown of Gross Bilateral Aid, 1975-90 (£million, Constant 1985 Prices).**



Source: British Aid Statistics; British Aid 1975-87; British Aid 1975-90.



**Figure 5(b): Breakdown of Gross Bilateral Aid 1975-90 (£million, Constant 1985 Prices).**



Source: British Aid Statistics; British Aid 1975-87; British Aid 1975-90.

have increased from a mere 4 per cent of bilateral aid in 1975 to a still modest 6 per cent in 1979 to a doubling of this figure – 13 per cent – in 1990 so that they occupy an almost equal share of bilateral aid. CDC project loans are required to make a financial profit, are not eligible for inclusion in Official Development Assistance (ODA) figures and are strongly linked to cash-crop activities. These trends indicate a shift towards commercialisation and the use of aid to facilitate production for the market in the project aid sector. CDC aid has been popular with the Thatcher government for this very reason. The policy of the government has been to drag the Third World into the capitalist market place and away from traditional subsistence production. We have argued elsewhere in this thesis that this process can be a very painful one for recipient countries. Women and children, for example, often suffer as a result of so-called development in the form of production for the market because male heads of household retain the proceeds of sales for themselves. The family is the last bastion of the “trickle-down” theory in this respect. A abstract ideological attachment to the “free market” on the part of the Thatcher government aid programme can often result in a worsening of standards of living for the most oppressed layers of recipient communities.

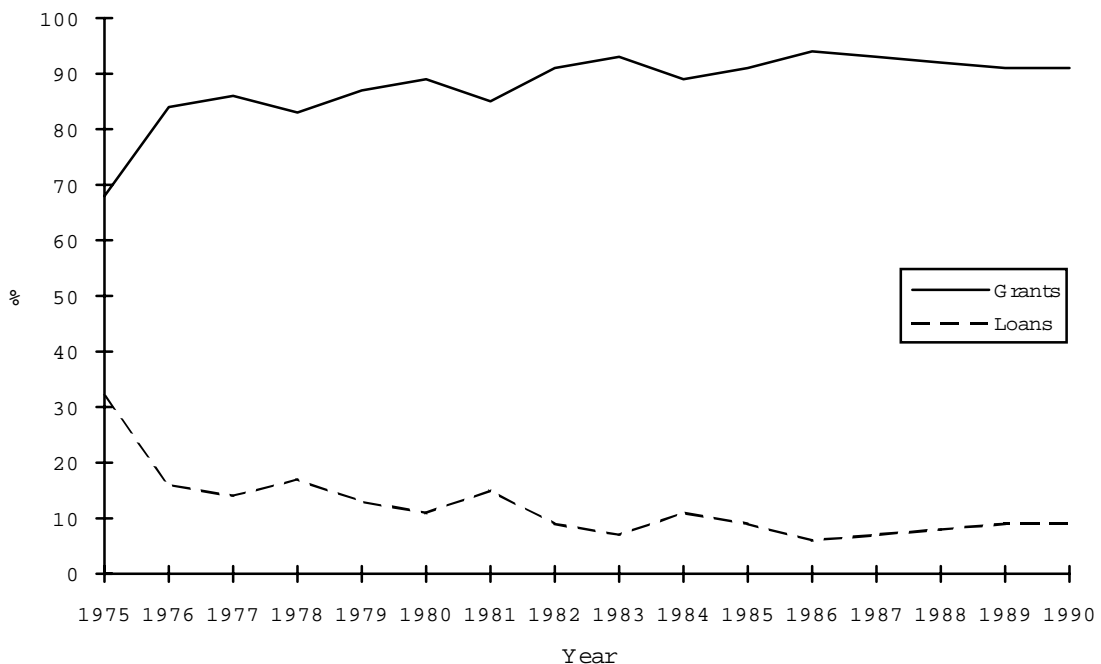
Programme aid increased from 1984 and dramatically in 1988-89. It has collapsed back to half this in 1990, however. It was favoured by the Thatcher administration over project aid because it could be linked closely to structural adjustment lending. Debt cancellation has not dramatically risen despite the Lawson initiative on this question and was in fact significantly higher from 1975-77. As is pointed out in the conclusion of this thesis, a strong project aid sector is preferable to increased programme aid if it means that aid is less conditional and more poverty focussed. Programme aid would be very desirable if it were not so strongly conditional. There is little sign of it becoming less conditional, however. This form of aid is prone to conditionality since it is given in the form of much sought-after foreign exchange. The sums are larger than individual project grants and therefore more prone to having “strings” attached to them.

### **Grants vs loans**

A part of British aid is given in the form of loans at a concessional rate of interest and with longer periods of repayment than purely commercial loans. Even so, a considerable amount of public debt soon built up, especially in Africa, as a result of this form of aid. In order to ease this burden, another form of aid – debt cancellation – became necessary. Figure 6 and Table 6 show that in relation to grants and loans the latter accounted for 32 per cent of Gross Total Expenditure in 1975 and that this was considerably reduced to 7 per cent in 1987. It increased again slightly to 9 per cent in 1990.

An UNCTAD resolution in 1978, which called upon donors to cancel the official debts of the poorest countries, is reflected in these figures and debt cancellation is an ongoing part of the aid programme. In response to the debt crisis, the former Chancellor Nigel Lawson, announced in March 1987 that steps would be taken to convert official aid debt into grants, and that other official bilateral debt would be rescheduled over a longer time period with more generous grace periods and at concessional interest rates to sub-Saharan countries that undertook to carry out structural adjustment programmes. The ever-present proviso of structural adjustment here, which appears to be a condition of great deal of British aid, would appear to signal the continuation of the same cash crop-based policies that led to the loss of food security in this region in the first place. A more detailed account of this can be found in the chapter on the aid policies of the Thatcher Government elsewhere in this thesis.

**Figure 6: Grants/Loans Composition of UK Public Expenditure on Aid, 1975-90  
(Percentage)**



Source: *British Aid Statistics; British Aid 1975-87; British Aid 1975-90.*

The background to this has been analysed by Ben Jackson in his book *Poverty and the Planet*:

"As Africa's debt crisis deepened, the move [public debt relief] was a simple recognition of reality – countries just could not pay and were not doing so. It was also prompted by the concern of western voters following the African famines of the mid-1980s and by the message from the industrialists of a collapse in exports to cash-strapped African countries (particularly in France and Britain with the enduring importance of their colonial-based trade-links with the continent).

"Following initiatives from the then British Chancellor of the Exchequer, Nigel Lawson, and from President Mitterand of France, a 'menu' of debt relief was at last agreed by the seven major industrialised powers at their 1988 summit in Toronto. Under the scheme, creditors could choose from the following:

- (a) cancel a third of debt service, but reschedule the rest at market interest rates over fourteen years.
- (b) reschedule all payments, over a longer period of twenty-five years.
- (c) reduce interest payments either by half or by three percentage points – whichever is greater, but to be paid back over fourteen years."<sup>193</sup>

<sup>193</sup> Jackson, B. *Poverty and the Planet: A Question of Survival*. London 1990. p119-20.

As Jackson points out, point (b) was a "get-out clause" included to please the US – this is not debt relief at all. The US does not have the traditional trading links with Africa which Britain and France have and therefore does not have the same economic interest in safeguarding such links through debt-relief. Jackson also cites a World Bank estimate that taking up the options would save Africa only 5 per cent of its debt service obligations.

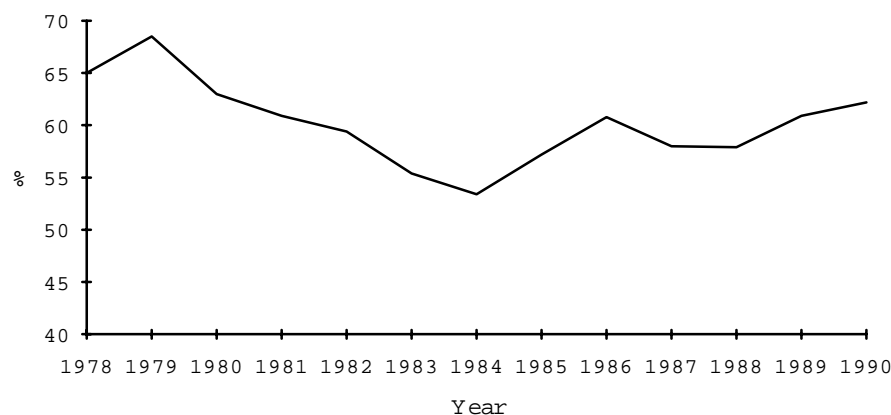
There are thus some less than altruistic reasons for this decline in loans.

### Tying and Local Costs

A great deal of British aid is tied to purchases of British goods. This reduces the value of aid because recipient countries are not allowed to "shop around" for their purchases and thus obtain the best bargains. Recipients are often forced to buy overpriced products from British firms which are in a monopoly position as a result of foreign competition having been excluded through tying. Tying is seen as being particularly important by the Treasury because of its implications for the balance of payments. Tying also restricts aid from being spent on local costs and recurrent costs within the recipient country such as local materials, salaries, running costs of projects etc, all of which can be seen as locking recipient countries into a dependency on imports from the donor country, which in turn prevents the growth of domestic industrial development. The Treasury has a strict veto over all local costs expenditure.

The figures for tying are given in Figure 7 and Table 7. These show that, while there has been some reduction in bilateral financial aid tying from 38.7 per cent in 1978 to 16.7 per cent in 1987, and the same figure in 1990, the addition to these figures of multilateral EC aid (which is tied to EC member and associated countries' goods) as well as bilateral technical cooperation (which is almost all tied) reduces the decline from 65.0 per cent in 1978, 58.0 per cent in 1987 and 62.2 per cent in 1990 – an insignificant decline in the latter case. It is necessary to strongly oppose tying for the reasons given above. The chaotic competitive trading system among donor countries means that each country is afraid that its aid will create exports for its competitors. Yet the effect of tying is to infringe the self-determination of recipient countries in terms of using aid to purchase goods. Nothing more clearly illustrates the self-interested motives for aid, and nothing more clearly shows the contempt for recipient country self-determination than the practice of tying.

**Figure 7: UK Tied Aid as a Percentage of Total Gross Aid, 1978-90.**

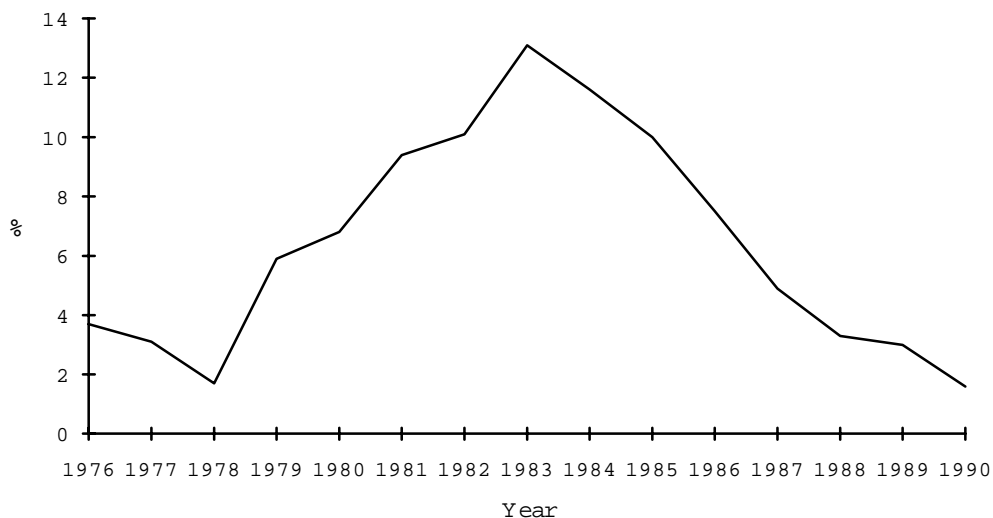


Source: *British Aid Statistics; British Aid 1975-87; British Aid 1975-90.*

As regards local costs, Figure 8 and Table 8 give the amounts spent as well as the percentages of bilateral aid. From these figures it can be seen that the best that has been achieved is a figure of 13.1 per cent and that most of the time the figures have been well below 10 per cent. Judith Hart maintained that the increase in figures between 1979-83 reflect the poverty-focussed projects which were initiated under the Labour Government – it takes several years for expenditure to filter through and commitments made then had to be honoured by the incoming Conservative Government – it had no choice but to do so.<sup>194</sup>

When one considers that local costs are crucial to a poverty-focussed strategy one can begin to see that this is a major limitation on what can be achieved. The Treasury veto on local costs restricts the ability of the ODA to implement a poverty-focussed approach. The ODA claim, however, that there was in 1990 a policy of no limit on local costs for the very poorest countries was adopted.<sup>195</sup> However, this is not the case for recipient countries in general. It is unlikely that the amounts actually spent will be very high because poverty-focussed projects are difficult to implement and require a huge administrative input – something to which the ODA is not committed. Since many of the poorest countries are traditional Commonwealth African and Asian countries, it is probable that the unlimited local cost is motivated by the same self-interested reasons that led to grants replacing loans, ie the need to maintain trading links with debt-crippled nations unable to service or repay their debt. As we shall see below, there was a big drop in the percentage of aid going to the poorest 50 countries over the 1980s. There is no sign of this changing.

**Figure 8: Local Costs as a Percentage of Gross UK Bilateral Aid, 1976-90.**



Source: UK Memorandum to the DAC; British Aid Statistics:

### Trends Relating to the Distribution of British Aid

At the 1981 Paris conference on aid to the least developed countries mentioned above, Britain refused to agree to the 0.15 per cent of GNP for the least developed countries, or to any other concession, even though its existing aid has traditionally centred on Commonwealth countries which have tended to be very poor. Thus it would not have been a great sacrifice to agree to the proposed minimum. This

<sup>194</sup>Interview with Judith Hart. 8 January 1991.

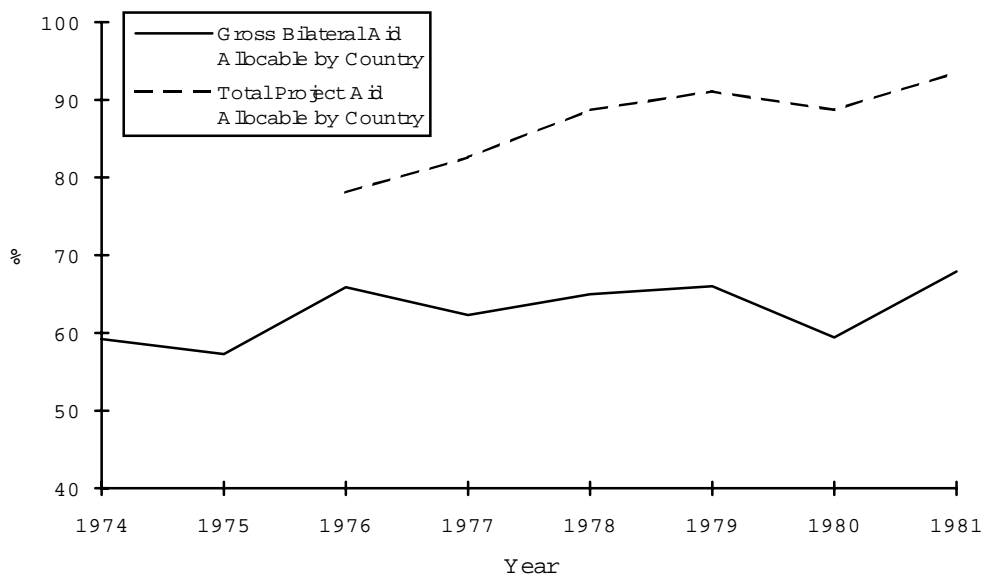
<sup>195</sup>Interview with Barrie Ireton, Head of Aid Policy, ODA. 6 December 1990.

angered many Third World delegates and it received much criticism in the press at the time.<sup>196</sup> This niggardly mentality was typical of the Thatcher period and indicates that ending local cost restrictions is insufficient if the political will is lacking at the top to implement a poverty-focussed aid programme. Otherwise, it is a case of the form without the content. Any government could remove limits to local costs knowing full well that inadequate resources and staff limitations exclude a realisation of the potential created by no limits on local costs. What is more important than theoretically or notionally unlimited local costs is the actual amounts disbursed to the very poorest countries and the sector/communities that are most in need of them.

### Distribution of Gross Bilateral Aid According to the Income of the Recipient

The figures in Figures 9 and 10 and Tables 9 and 10 show that there was a slight improvement in the 1970s in terms of aid devoted to the poorest countries as a percentage of bilateral aid allocable by country. The figures also show that there was a big drop in real terms (40 per cent), in aid to the poorest fifty countries in the 1980s. Per capita aid has dropped by half from £0.31 to £0.14. A similar pattern is evident in the Lower Middle Income Countries. This pattern is not replicated by the smaller group of Other Low Income Countries, however, where there was a steady rise in per capita aid over the 1980s. There is no obvious trend in the figures for Upper Middle Income Countries.

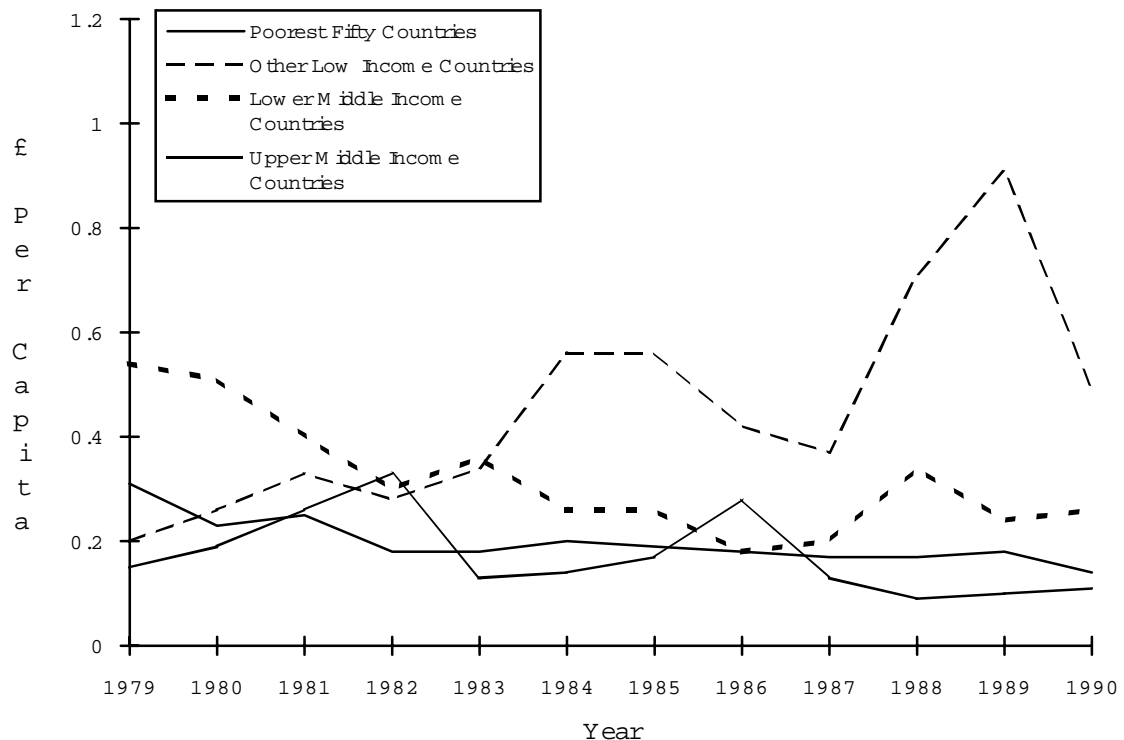
**Figure 9: Distribution of UK Aid Commitments to Poorest Countries, 1974-81 (Percentage).**



Source: British Aid Statistics.

<sup>196</sup>Independent Group on British Aid. *Real Aid Report* (op cit), p7.

**Figure 10: Distribution of Gross Bilateral Per Capita UK Aid Allocable by Country by Income Group, 1979-90 (£, Constant 1985 Prices)**



Source: British Aid Statistics; British Overseas Aid 1975-87; British Overseas Aid 1975-90.

It must also not be forgotten, more importantly, that these figures only give us an idea of the priorities within an inadequate and, in real terms, declining aid budget. Much more instructive is to view the figures for the least developed countries against the level of Britain's GNP. The percentage of British aid to these countries fell, for example, from 0.14 per cent of GNP in 1981 to 0.08 per cent in 1984. The target set by the Paris Conference in 1981 was for a minimum of 0.15 per cent of GNP to be devoted to these countries.<sup>197</sup>

Assessing the extent to which aid is being directed towards the poorest groups is more problematical. As the Independent Group on British Aid report, *Real Aid*, noted:

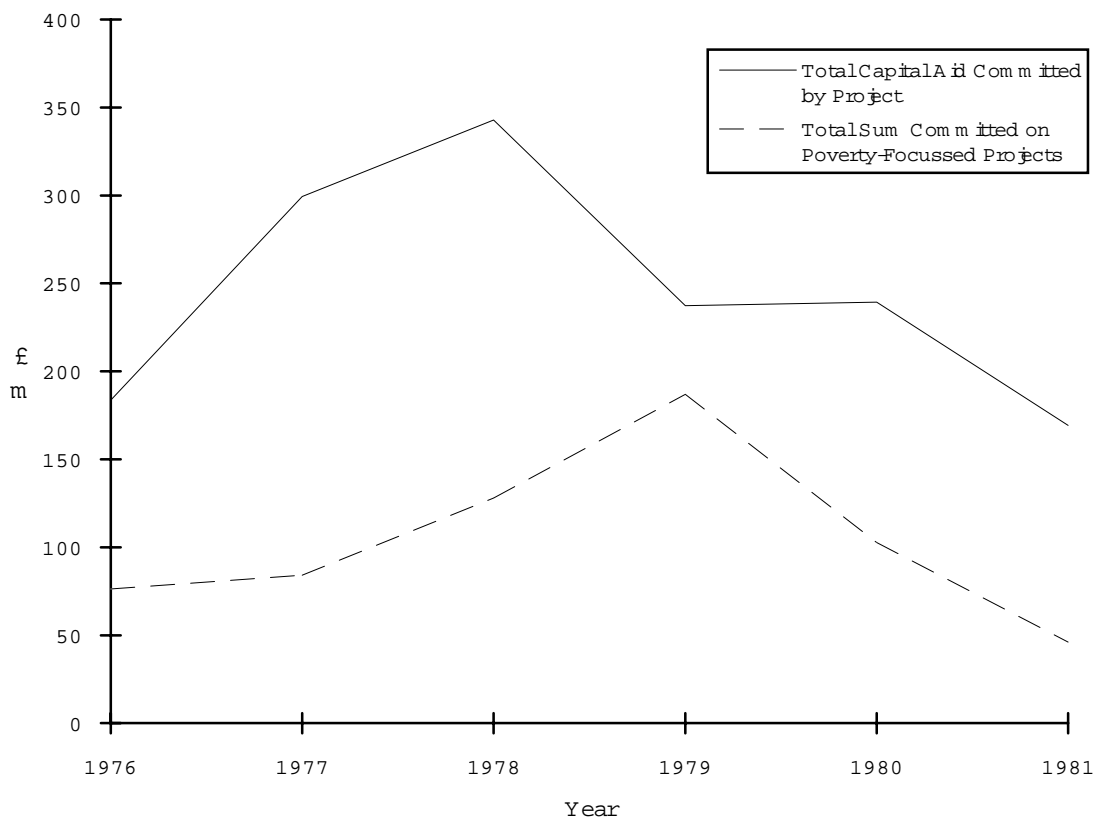
"... in 1977, a policy guideline was put around (Circular Minute 77/30). This recommended that: 'Geographical departments should... 1). select projects with defined target groups in mind;... 2) include in project submissions a description of the social and economic position of the target groups and the expected consequences of them. We are engaged in shifting the major part of our aid programme towards the direct benefit of poor people defined as... people with GNP per capita under \$140 (1976)'. In fact, 'Geographical departments' have consistently ignored the Minute, in the sense that it is impossible to find any submission to ODA's Projects Committee an account of the predicted quantitative impact of a project on any income group. Occasionally, to be sure, one finds a statement such as 'this project

<sup>197</sup>Clarke, J. *For Richer For Poorer*. *Op cit*, p20.

should increase the incomes of small farmers'. But without knowing how small is small, how big is the forecast increase and how it is supposed to happen, it is difficult to work out how many projects were genuinely conceived by their sponsors as being poverty-focussed... we are therefore forced back on the tautology: projects count as poverty-focussed if their sponsors said they were."<sup>198</sup>

The *Real Aid* report then gave Figure 11 in the light of the above. As the *Real Aid* report points out, these figures give a superficial "pyramid shape" trend with a concentration of ODA project preparation towards poverty-focussed projects before 1979, (the period of the Labour Government's poverty-orientated "More Help for the Poorest" strategy) and a sudden decline afterwards. However, as the report also points out, The high "poverty" score in 1979 is due to one enormous project, the £100M Victoria dam and electric power project in Sri Lanka. If this one project is reclassified as non-poverty focussed (the case for its original classification is dubious) the "poverty-focussed" percentage for that year drops to 29 per cent and the "pyramid" disappears.

**Figure 11(a): UK Poverty-Focussed Projects by Value (Constant 1980 Prices).**



Source: Overseas Development Administration Projects Committee Minutes.

<sup>198</sup>IGBA. *Real Aid Report*, op cit, p10-11.



**Figure 11(b): Poverty-Focussed Projects by Value: Percentage of Total UK Capital Aid Committed on Poverty-Focussed Projects, 1976-81.**



Source: Overseas Development Administration Projects Committee Minutes.

Another indication of the extent to which British aid is poverty focussed is provided by the sectoral breakdown of project aid. This will show us how much of the aid budget is going to the sectors most directly affecting the poorest groups such as Renewable Natural Resources. This breakdown is given in Table 12(a) and Figure 12(a). Here it can be seen that the percentage figures for Renewable Natural Resources have been quite erratic. They have, however, been 20 per cent or under in 14 out of the 16 years.

The other sector which reflects the interests of the poorer groups is Social and Community Services. Once again, the figures are erratic, and the exceptionally good figure for 1986 was, as Woodroffe and Jones point out, largely due to one Aid and Trade Provision deal which provided a rural water supply scheme to Malaysia worth £59.5m. One ATP deal aimed at meeting the commercial requirements of a British company therefore accounted for three-quarters of the 1986 figure. Once again, it should be borne in mind that these figures only provide an indication of relative priorities within an inadequate and, in real terms, declining aid budget. The figures illustrated in Figure 12(a) for total project aid allocable to sectors show that there has been a decrease of 40 per cent in project aid allocable by sectors since 1981 (when projects agreed under the Labour Government would have been figuring in expenditure), despite the increase in Third World population in the intervening period.

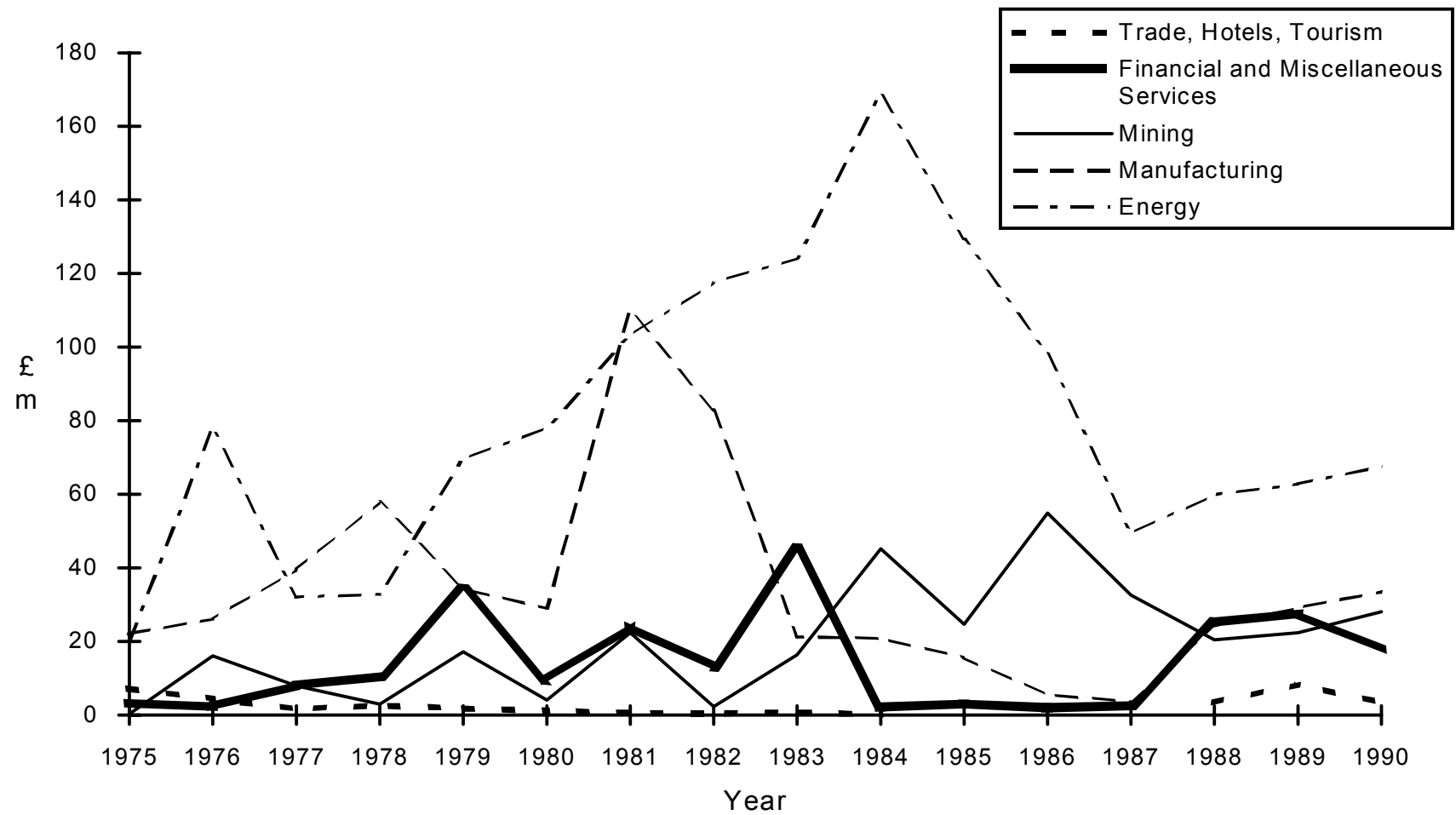
Figure 12(b) shows the renewable natural resources and social and community services sectors added together as a percentage of total project aid allocable by sector. The 1986 figure is once again distorted by the single Malaysia ATP rural water supply deal mentioned above. If this deal, which was motivated by commercial British interests, is subtracted from the total on the grounds that it does not reflect a poverty-focus priority the peak disappears: the £59.5 deal accounted for 40.4 per cent of the 1986 RNR+SCS figure and the overall percentage for 1986 for the two sectors drops to below 30 per cent of total project allocable by sector, which is generally where it was for most of the 1980s.

**Figure 12(a): UK Project Aid Expenditure by Economic Sector, Projects Allocable by Economic Sector, 1975-90 (£million, Constant 1980 Prices).**



Sources: British Aid Statistics; British Overseas Aid 1975-87; British Overseas Aid 1975-90.

Figure 12(a) continued.



Source: British Aid Statistics; British Overseas Aid 1979-87; British Overseas Aid 1975-90.

**Figure 12(b): Renewable Natural Resources and Social and Community Services as Percentage of Total Project Aid Allocable by Economic Sector, 1975-90.**



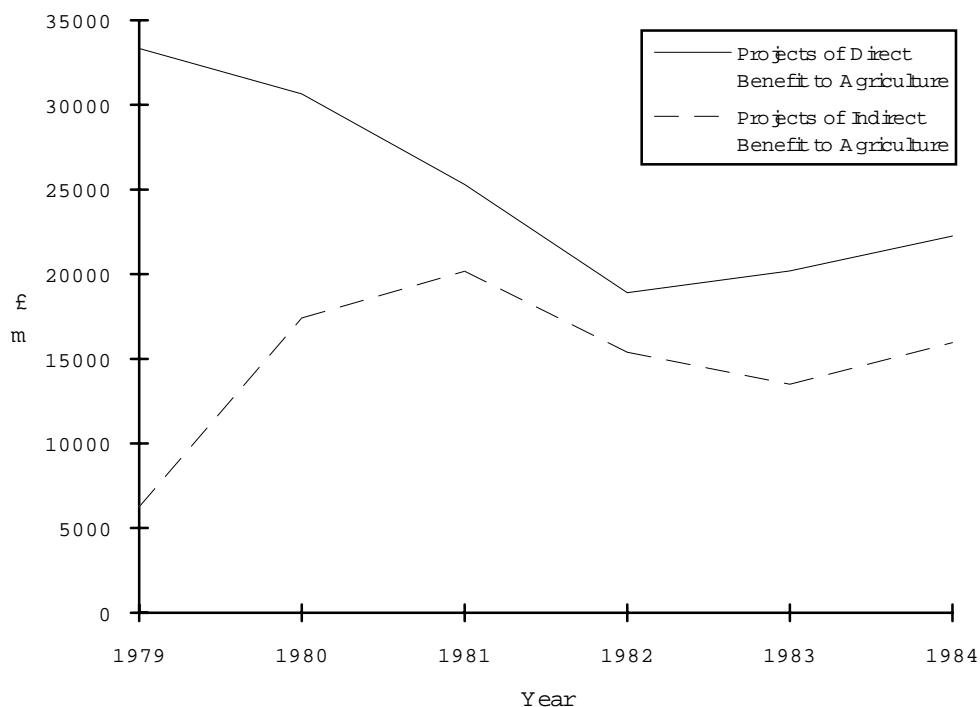
Sources: *British Aid Statistics*; *British Overseas Aid 1975-87*; *British Overseas Aid 1975-90*.

A picture of the relative poverty-focus of the British aid programme may be provided by a number of indicators. One of these is the percentages of aid going to agriculture. The All Parliamentary Group on Overseas Development (APGOOD) report on Aid to African agriculture attempted to analyse the extent to which this sector had declined during the first half of the 1980s. Figure 13 illustrates a breakdown of agriculturally-related aid to African agriculture from all sub-sectors of project allocable by sector, with figures converted into 1980 constant prices.<sup>199</sup>

Figure 13 and Table 13 illustrate the point made by the APGOOD report that in the period dealt with (1979-84) projects which directly benefited agriculture (ie which directly aided agricultural production – crops, livestock, forestry and fisheries – and their related agricultural processing) declined somewhat and that projects which indirectly benefited agriculture (eg infrastructure projects) increased.

<sup>199</sup>APGOOD. *Op cit*, p56.

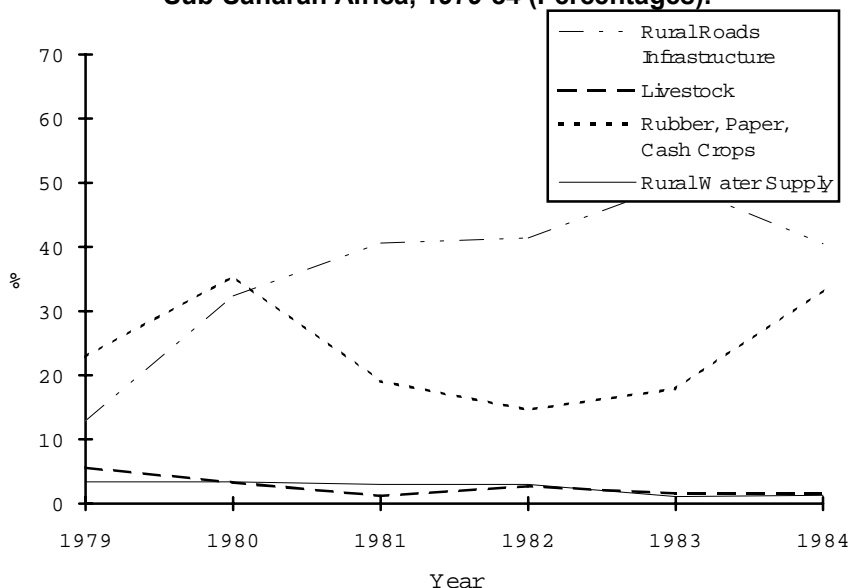
**Figure 13: UK Direct and Indirect Benefit Agriculturally-Related Project Aid to Sub-Saharan Africa, 1979-84 (£million, Constant 1980 Prices).**



Source: ODA Statistics Department.

As John Clark has noted in relation to these figures, in 1984 a staggering two-thirds of UK aid to African agriculture went on roads, paper and rubber schemes. In addition 10 per cent was spent on the cash crops sugar, coffee, cocoa and tea. Only 1.5 per cent was spent on the livestock sector and 1 per cent on rural water supply. Figures 14(a) and 14(b) illustrate this for the years 1979-84.<sup>200</sup>

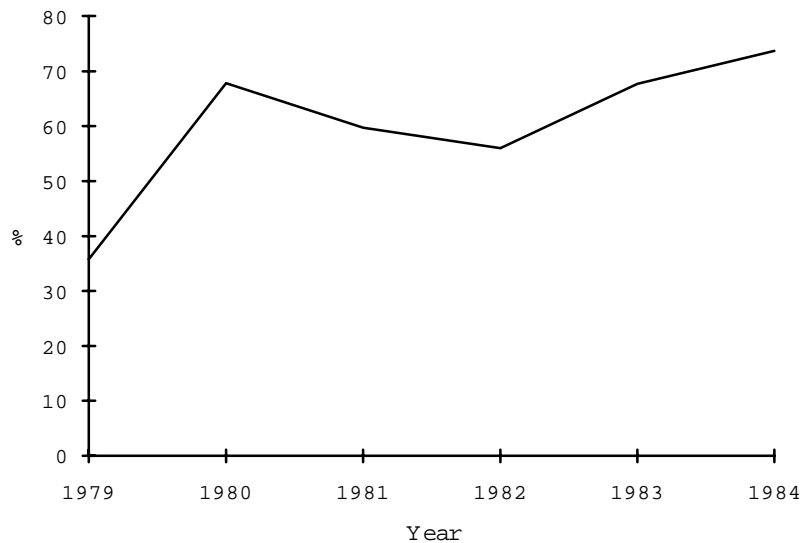
**Figure 14(a): Selected Sectoral Shares of UK Agriculturally-Related Project Aid to Sub-Saharan Africa, 1979-84 (Percentages).**



Source: ODA Statistics Department.

<sup>200</sup>Clark, J. *For Richer For Poorer*. *Op cit*, p28.

**Figure 14(b): Proportion of UK Agriculturally-Related Aid Allocable by Sector to Sub-Saharan Africa Devoted to Rural Roads Infrastructure and Selected Cash Crops, 1979-84 (Percentage).**



Source: ODA Statistics Department.

The APGOOD report on UK Aid to African Agriculture identified a number of disturbing trends. The volume of aid was being reduced more abruptly for agriculture than in other sectors. Within agricultural aid spending there had been a decline in interest in integrated rural development projects; there was a low allocation to agricultural research and large infrastructure projects were growing.<sup>201</sup>

Britain had been successful on the other hand in promoting its commercial interests. Programme and sector aid "meant primarily the supply of foreign exchange linked to the purchase of UK equipment."<sup>202</sup>

There was a low allocation to subsistence farming.

"This means that little UK aid is directly supporting the majority of African farmers in drier regions who grow primarily food staples for domestic consumption using primitive technology (often the hand-held hoe)."<sup>203</sup>

This was identified as being expressed in the decline of rural development projects. Agricultural research was "surprisingly modest given the UK's long experience in tropical agriculture." (p32).

"The disappointments appear to be in developing traditional food staples (in the Western Sudan and Tanzania, for example) and in introducing new farm technologies (in the Gambia, for example). And the lessons appear to be that subsistence farmers, confronted by a range of capital, labour and technology constraints, require a more

<sup>201</sup> APGOOD. *UK Aid to African Agriculture*,. p30-31.

<sup>202</sup> *Ibid*, p31.

<sup>203</sup> *Ibid*, p32.

sustained and patient research input than more commercially-oriented farmers able and willing to risk new crops and practices."<sup>204</sup>

The historical bias of agricultural research against drier rainfed regions, and the problems of new crops species is dealt with at length elsewhere in this thesis.

The APGOOD report also noted that support for farmer services had declined significantly.

"There is no longer any project concerned with seed supply; support for Agricultural banks and cooperatives appears to have been abandoned; disbursements on agricultural storage projects have slowed to a trickle; animal health services expenditure has been much reduced."<sup>205</sup>

The picture in terms of recipient countries as a whole on this question is analysed later in this chapter, where a similar pattern emerges. Access to agricultural credit (development banks), cooperatives and extension services are critical for the poorest farmers. British aid seems to have a low priority for these areas. It is very fashionable in development and aid agency circles to say it is difficult to aid the poorest. This suggests a certain complacency. The problems with the Integrated Rural Development Projects initiated in the 1970s under Labour have not been tackled, as we also discuss elsewhere in this thesis.

In terms of volume of aid, the APGOOD report noted that in sub-Saharan Africa direct benefit agricultural aid declined in real terms by a third in the period 1979-84. This is illustrated by Figure 13.

The report also noted that the Commonwealth Development Corporation had a significant influence on UK aid to crops.

"Sugar, tea, cocoa, rubber, oil palm and tobacco are by far and away the main crops for UK aid expenditure, with cereals a long way behind. The 'CDC' crops are closely bound to its methods of operation and financing: a large degree of management control, production linked to processing and marketing, and foreign exchange earnings (...) In Africa itself, CDC's agricultural projects are primarily in the relatively high rainfall countries: Cameroon, Ghana, Ivory Coast, Liberia, Nigeria, Kenya, Tanzania, Uganda, Malawi, Zambia, Zimbabwe and Swaziland. The arid and semi-arid regions are barely represented and two of CDC's most difficult – and least successful projects have been in northern Nigeria and southern Ethiopia."<sup>206</sup>

Looking at the picture in terms of all recipient countries the ODA produced a series of annual printouts covering a five-yearly period of the sectoral breakdown of project aid allocable sector called *Projects by Sector: Allocations and Expenditure* for the years 1980-88. This was an internal document for use within the ODA and was not published, although they were made available to the writer of this thesis. It was no longer produced after 1988, making it difficult to establish trends before or after this period. However, the ODA statistics department has kindly supplied me with figures from 1989 to 1991. The breakdown was quite detailed to the level of which project

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<sup>204</sup> *Ibid*, p33.

<sup>205</sup> *Ibid*, p35.

<sup>206</sup> *Ibid*, p40.

was in a particular sub-sector and whether it was ATP or not, and so on. The ODA Statistics Department are very cooperative in supplying data from their computers, but it is not practical for them to supply the amount of information contained within *Projects by Sector* repeatedly to enquiring individuals – it needs to be published. It is impossible to evaluate the priorities of British Aid without this information. A sectoral breakdown of technical cooperation and programme aid is only available from 1988 onwards. The ODA Statistics Department again supply these figures to enquiring individuals but they also need to be published.

Table 15 provides a breakdown of agriculturally-related aid. Figure 15(a) shows that the volume of agriculturally-related aid directly benefiting productive sub-sectors (including related processing) fell by 23.9 per cent between the years 1980 to 1988. At the same time, aid indirectly benefiting agriculture (infrastructure) increased by 46 per cent in the same period. Figure 15(b) indicates that there was a small (3.6 per cent) increase in agriculturally-related aid as a percentage of total project allocable by sector between 1980 and 1988. The percentages were less than 25 per cent in four years out of nine and only marginally higher in a further two years, however.

**Figure 15(a): Comparison of Direct and Indirect Benefit Aid within Agriculturally-Related Sectors of UK Project Aid Allocable by Sector to all Developing Countries, 1980-88 (£million, Constant 1985 Prices).**



Source: *Projects by Sector: Allocations and Expenditure*



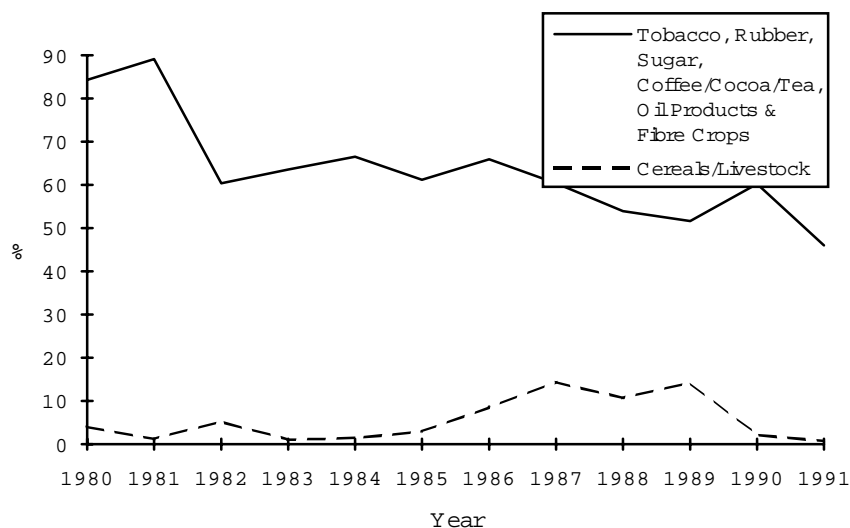
**Figure 15(b): UK Agriculturally-Related Aid Expenditure as a Percentage of Total Project Aid Allocable by Sector, 1980-88.**



Source: Projects by Sector: Allocations and Expenditure.

The combined volume and percentage of the cash crops tobacco, rubber, coffee, cocoa, tea, sugar, oil products (including oil palm) and fibre crops (including cotton) in the agriculture and livestock sector are given in Figure 16(i), along with the combined figures for cereals and livestock. This comparison provides an indication of the priorities of British aid – cereals and livestock come a long way behind. In 1980 and 1981 a staggering 84.3 per cent and 89.1 per cent respectively of this sector was spent on the nine cash crops listed, although it has steadily declined over the decade.<sup>207</sup>

**Figure 16(i): Comparison of Share of Selected Cash Crops and Cereals/Livestock in Agriculture and Livestock Sector of UK Project Aid Expenditure (Percentages).**

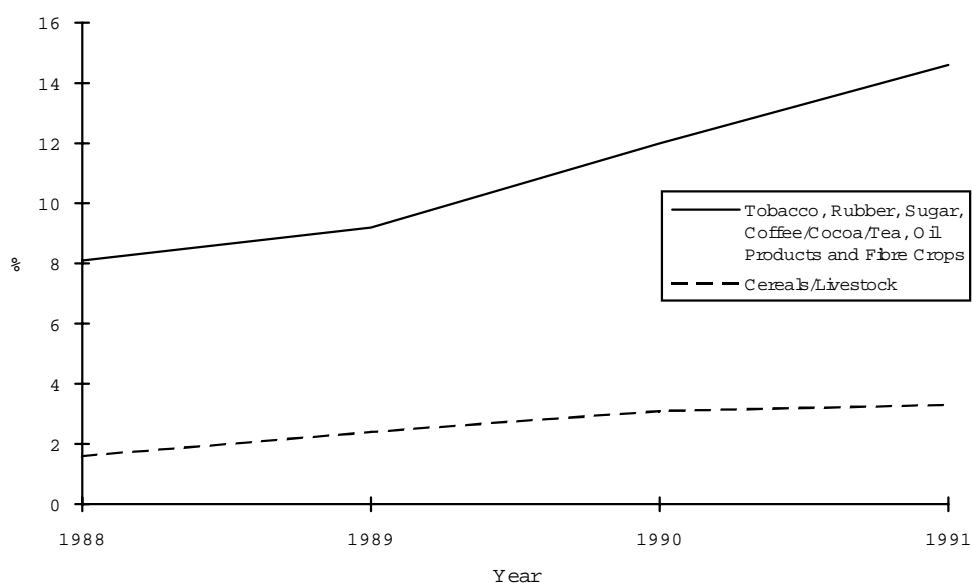


Source: Projects by Sector: Allocations and Expenditure.

<sup>207</sup>The statistics are not sufficiently disaggregated to indicate whether cereals are for cash crops or subsistence production. A similar problem exists for the livestock figures. Neither is it clear if these food-related sub-sectors are aimed at directly relieving poverty and hunger or not. The assumption, therefore, that even these sub-sectors are related to meeting basic needs is questionable. The most that can be said is that they might be potentially related to such an objective.

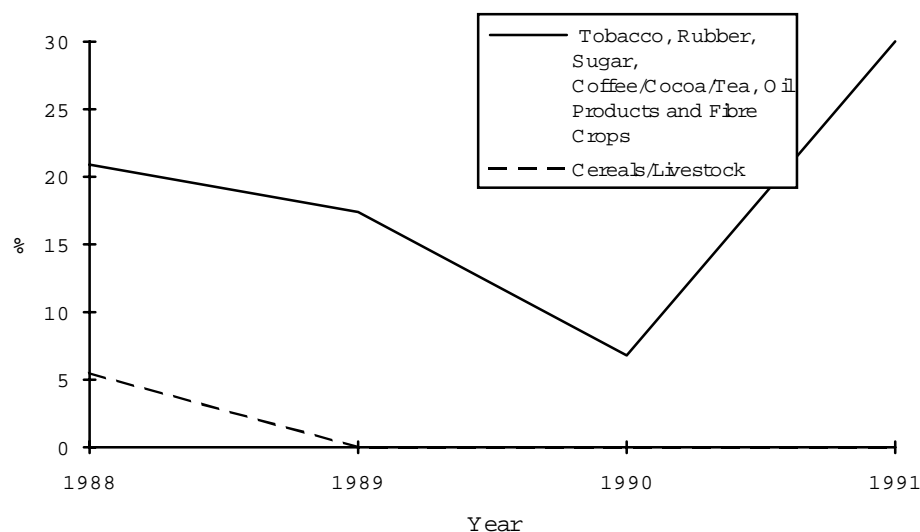
Figures 16(ii)(a) through to 16(ii)(c) show selected non-staple cash crops compared to cereals and livestock for project aid, technical cooperation and programme aid allocable by sector. From these graphs it is possible to see that lagging of cereals behind the listed cash crops is not confined to project aid. It is also a clear feature of technical cooperation and programme aid. When Project aid, technical cooperation and programme aid are taken together as shown in figure 16(ii)(c) it can be seen that, while the listed cash crops accounted for around a third during the four years, cereals and livestock went from 6.5 per cent to under 2 per cent. This was largely made up of livestock as cereals were virtually non-existent in project aid and programme aid.

**Figure 16(ii)(a): Comparison of Share of Cash Crops and Cereals/Livestock in Agriculture and Livestock Sector of UK Technical Cooperation Expenditure to all Developing Countries, 1988-91 (Percentages).**



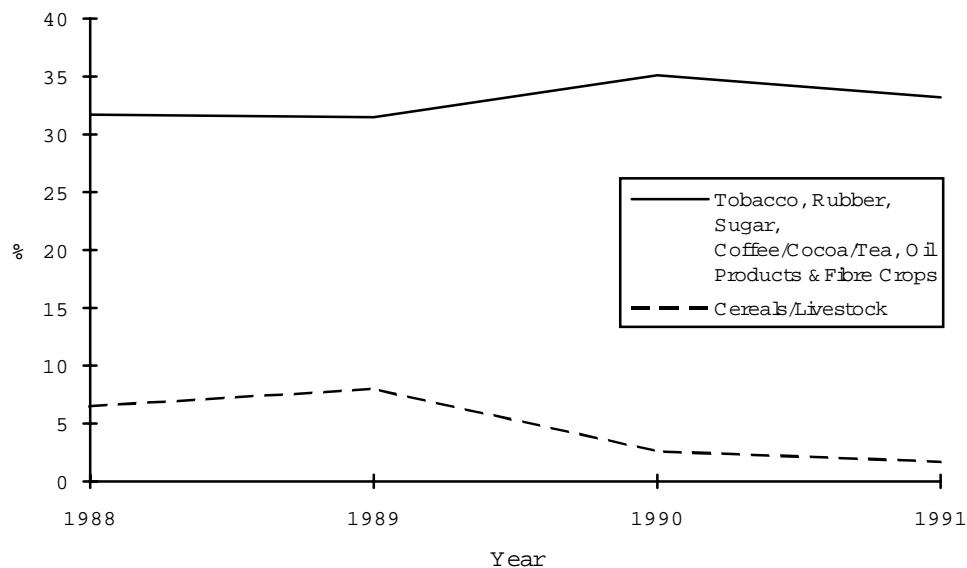
Source: Projects by Sector: Allocations and Expenditure.

**Figure 16(ii)(b): Comparison of Share of Cash Crops and Cereals/Livestock in Agriculture and Livestock Sector of UK Programme Aid Expenditure to all Developing Countries, 1988-91 (Percentages).**



Source: Projects by Sector: Allocations and Expenditure.

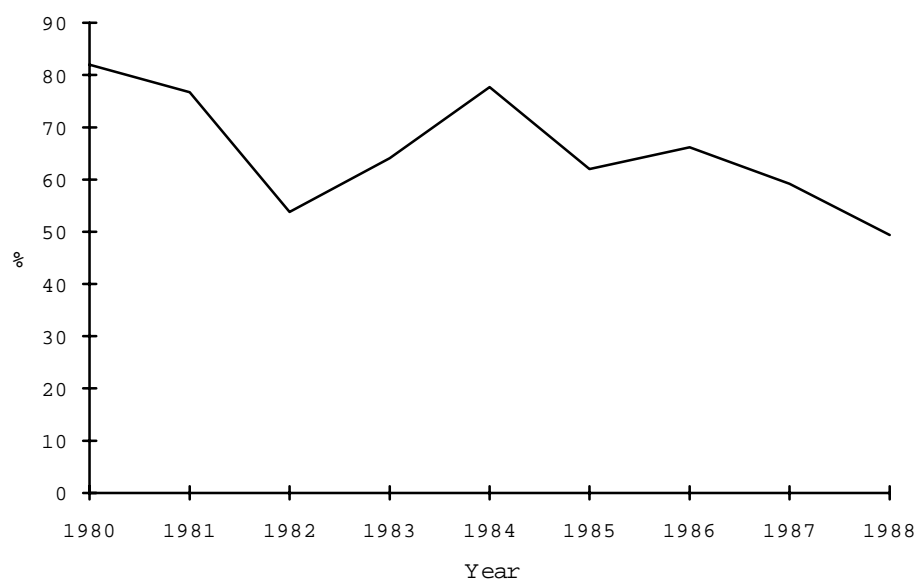
**Figure 16(ii)(c): Comparison of Share of Cash Crops and Cereals/Livestock in Agriculture and Livestock Sector of UK Project Aid, Technical Cooperation and Programme Aid Expenditure to all Developing Countries, 1988-91 (Percentage).**



Source: *Projects by Sector: Allocations and Expenditure.*

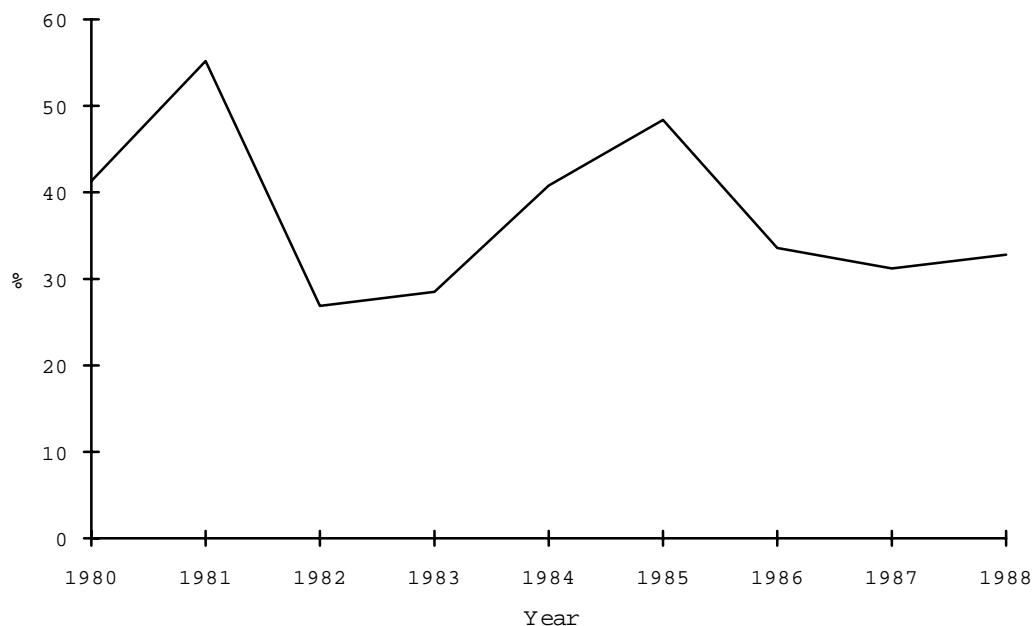
If the agriculture and livestock and agricultural processing sectors are taken together a similar pattern emerges – Figure 17. The listed cash-crops and their related processing accounted for 82.0 per cent of these two combined sectors in 1980 declining steadily to 49.4 per cent in 1988. If the agriculturally- related infrastructure sector is added to the previous two sectors the percentage accounted for by cash crops, their related processing and rural roads together accounted for 41.3 per cent at the beginning of the decade, declining to 32.8 in 1988 – Figure 18.

**Figure 17: Share of Rubber, Paper and Selected Cash Crops in Agriculture and Livestock and Agricultural Processing Sub-Sectors of UK Project Aid to all Developing Countries, 1980-88 (Percentage).**



Source: *Projects by Sector: Allocations and Expenditure.*

**Figure 18: Share of Gross Expenditure on Roads, Rubber, Paper and Selected Cash Crops in UK Agriculturally-Related Project Aid Expenditure (Percentage).**



Source: *Projects by Sector: Allocations and Expenditure*.

If the assumption is made that cash-crops, their related processing and rural roads are not priorities in terms of human development aid, it is necessary to subtract these sectors from total agriculturally-related project aid in order to get a less distorted picture of the directly poverty-relieving weight of this sector within project aid as a whole. It is not being suggested that all the remaining agriculturally-related aid is necessarily poverty relieving or aimed at meeting human development priorities of the kind advocated by for example the UNDP Human Development Report. (see below). That also is an assumption which may be open to question – the statistics do not provide this information in an explicit form. Neither is it being suggested that cash-crops can never ever provide income to poor people. This is a controversial area of debate within academic development circles. The assumption (disputed by some academics and aid agency professionals) behind the subtraction of these particular cash-crops from the figures is, as has already been stated, that they are not generally human development priority projects aimed at basic needs and survival – identified by the UNDP Human Development Report for example, as nutrition, primary education, primary health, sanitation, rural water supply.<sup>208</sup>

Figure 19(a) shows the results of this exercise: agriculturally related aid minus non-staple cash crops, related processing and rural roads as a proportion of total project aid allocable by sector, has been generally less than twenty percent and at its highest 25.2 per cent in 1983.

<sup>208</sup>Examples of writers opposed to cash crops are: George, S. *How the Other Half Dies*. London 1976. Lappe, F M and Collins, J. *Food First*. London 1982. Hayter, T. *The Creation of World Poverty*. London 1981. Wisner, B. *Power and Need in Africa: Basic Human Needs and Development Policies*. London 1988. In favour of cash crops are: the World Bank. *Accelerated growth in sub-Saharan Africa: an Agenda for Action*. Washington 1981, and Myint, H. "Export and Economic Development of Less Developed Countries" in Eicher and Staatz (eds). *Agricultural Development in the Third World*. Baltimore 1984. See also *IDS Bulletin* Vol 19 No 2, 1988, devoted wholly to this question.

**Figure 19(a): UK Agriculturally-Related Project Aid, Minus Roads and Selected Cash Crops, as a Percentage of Total Project Aid Allocable by Sector. Expenditure 1980-88.**



Source: *Projects by Sector: Allocations and Expenditure.*

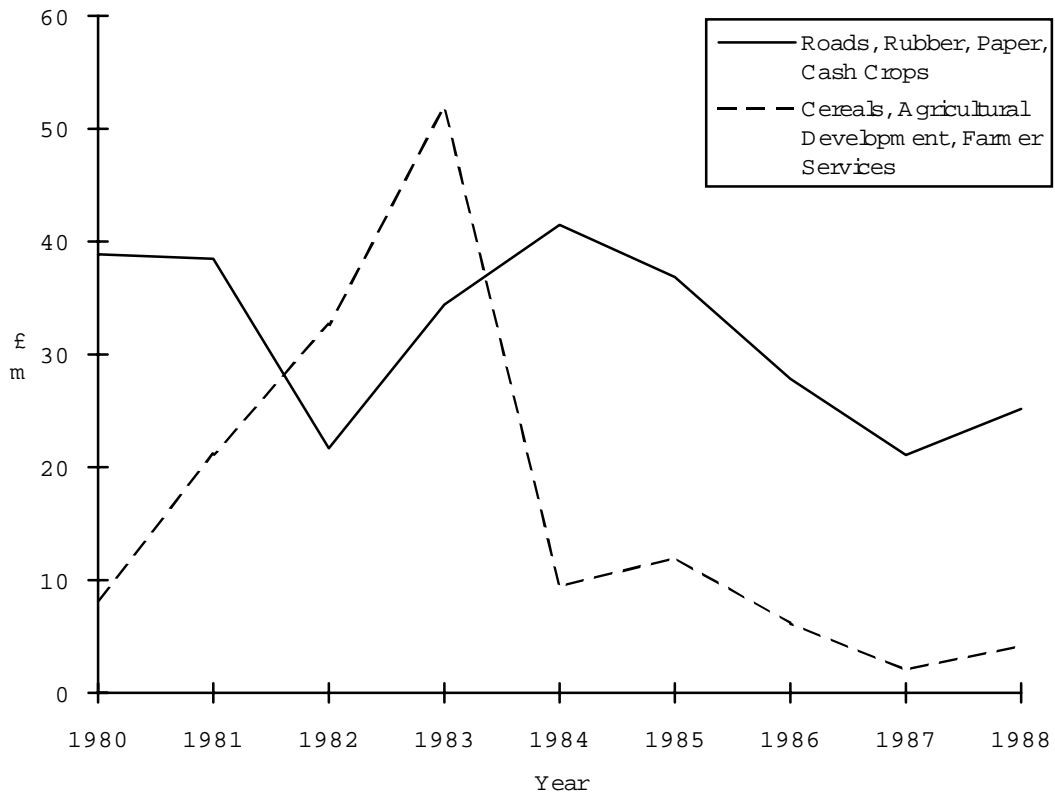
It is unfortunate that statistics on technical cooperation are not available in a disaggregated sectoral form prior to 1987, making an analysis of its relevance to human development priorities impossible before that date. Figures on the sectoral breakdown of project aid are available only for the period 1980-88 in the unpublished internal ODA printout, *Projects by Sector: Allocations and Expenditure*. This was discontinued after 1988. Figures for the years 1989-91 have been provided for the purposes of this thesis by the ODA, however.

Figure 19(b) and Table 19(b) show the low percentage devoted to cereals, agricultural development and farmer services for all recipient countries. These sub-sectors are critical to poor farmers: cereal food crops are necessary for food security (although there is no indication in the statistics of whether cereals are for subsistence or for sale as cash crops). Without access to agricultural credit (development banks), co-ops, agricultural extension and the inputs of agricultural research etc, such farmers cannot hope to improve their living standards. Private sector loan sharks charge exorbitant interest rates and often won't deal with the poorest because they are not "credit- worthy". The figures show that these sub-sectors accounted for less than ten per cent of total agriculturally-related project aid in five out of the nine years. The dramatic increase from 1981 to 1983 was accounted for by one project in the Agricultural Development Banks sub-sector – the Indian Agricultural Refinancing Development Corporation project phases III and IV. The initial phases of this project were initiated under Labour. This project was no longer funded from 1985 onwards and, indeed, no new allocations were made in this sub-sector in the period 1985-88.

If we compare the figures here with those in Table 18 and Figure 18(a) we can see that, while the percentage of agriculturally-related projects devoted to roads, rubber, paper and selected cash crops accounted for over 50 per cent of total agriculturally-related project aid in one year, over 40 per cent in four years and over 30 per cent in seven years out of a total of nine years; the sub-sectors of cereals, agricultural development and farmer services accounted for less than ten per cent in five years

out of nine years. This is illustrated in Figure 19(b) – the graph in figure 18(a) is superimposed on this figure for comparison purposes.

**Figure 19(b): Comparison of Expenditure on Cereals, Agricultural Development and Farmer Services with Expenditure on Roads, Rubber, Paper and Cash Crops in UK Agriculturally-Related Project Aid to all Developing Countries, 1980-88 (£million, Constant 1985 Prices).**



*Source: Projects by Sector: Allocations and Expenditure.*

An attempt has been made to identify some indicators of human development priorities in terms of aid provision. Primary education, primary health care, sanitation, family planning, nutrition and rural water supply are cited in the UNDP's Human Development Report for 1992.<sup>209</sup>

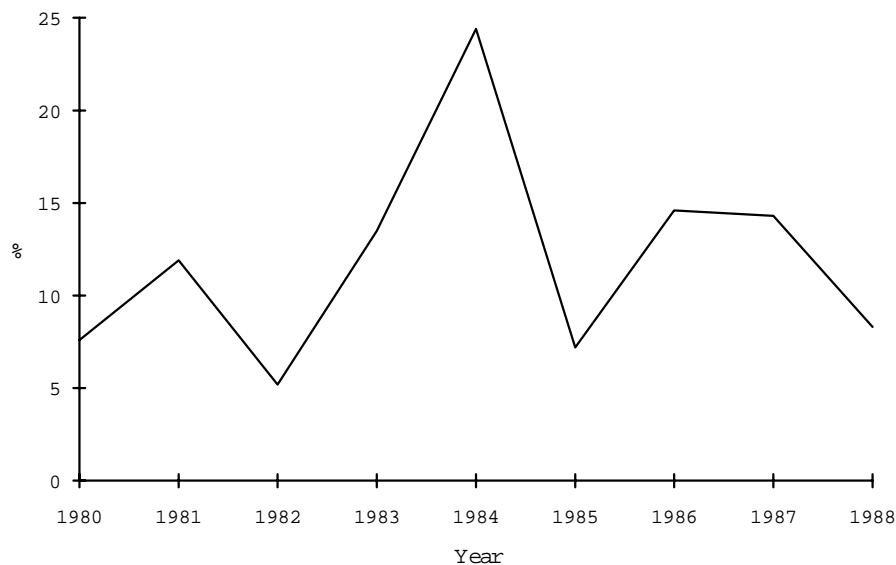
This report has used a series of ratios: ODA as a percentage of GNP, Aid Social Allocation Ratio (the percentage of aid going to the social sectors), the Social Priority Ratio (the percentage of social sector ODA going to human priority areas mentioned above). When these are multiplied together they give the Aid Human Priority Ratio (Percentage of donor GNP going to Human Priorities) In 1989 the UK Social Priority Aid Ratio was 8.8 per cent. This compared with Norway's figure of 19.7 per cent. The lack of priority given to basic human needs and survival is thus evident. The figures for all donors in terms of these ratios for 1992 are given in Appendix 6. Since these figures are available only for a few recent years a similar exercise has been attempted for the purposes of this thesis to quantify these human

<sup>209</sup>UNDP. *Human Development Report*. New York, 1992, p43.

priority indicators in relation to British aid. The availability of figures has restricted this to the years 1980-88 and to project aid since a breakdown of technical cooperation is not available before 1987.

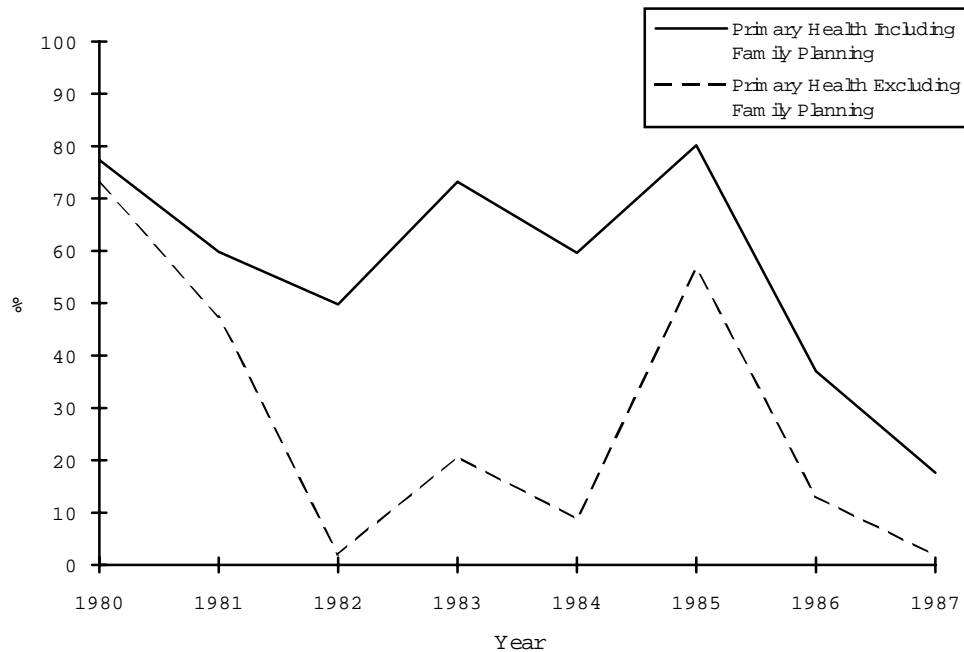
Figure 20(a) shows primary education as a proportion of the education project aid sector as whole. This shows that it has generally been below 15 per cent, and below 10 per cent in four years out of nine. It has reached a maximum of 24.4 per cent on one occasion only in 1984. This indicates a relative lack of priority to this sub-sector. Primary health is made up overwhelmingly of family planning provision. While family planning is obviously extremely important, the relative lack of priority given to other important aspects of primary health is evident if family planning is subtracted. When family planning is included primary health care has generally been above 50 percent of the health care sector as a whole. When family planning is excluded it has varied erratically between 73 per cent in 1980 and two per cent or less in two years. It was 20 per cent or less in five out of the eight years. This indicates a lack of priority to primary health care other than family planning (see Figure 20(b)). The proportion of family planning within the primary health budget is brought out by Table 21 and Figure 21, which show that it accounted for over 90 per cent in four years out of eight years and over 60 per cent in six out of the eight years.

**Figure 20(a): Share of Primary Education of Total Education Sector of UK Project Aid Expenditure Allocable by Sector, 1980-88 (Percentage).**



Source: *Projects by Sector: Allocations and Expenditure.*

**Figure 20(b): Share of Primary Health of Total Health Sector of UK Project Aid Expenditure Allocable by Sector, 1980-87 (Percentage).**



*Source: Projects by Sector: Allocations and Expenditure.*

**Figure 21: Share of Family Planning of Primary Health Sector of UK Project Aid Expenditure Allocable by Sector, 1980-87 (Percentage).**



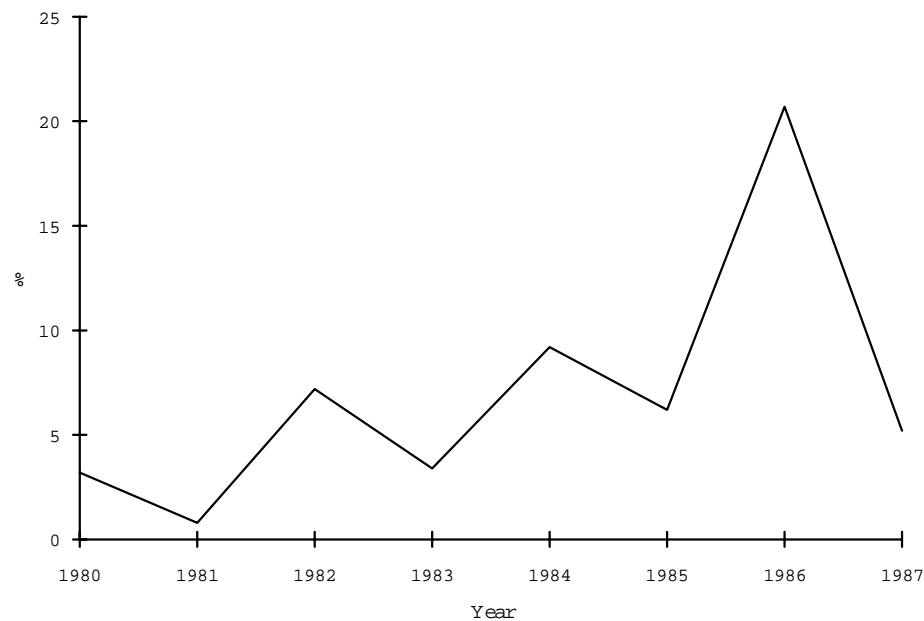
*Source: Projects by Sector: Allocations and Expenditure.*

The lack of priority given to very basic social needs within project aid is also indicated by Table 22 and Figure 22, which show that the total allocated to the



human development priorities cited by the UNDP Human Development Report: basic education, primary health care, safe drinking water in rural areas accounts for very small percentages of total project aid allocable by sectors even if housing is added on. It has been 7 per cent or less in six out eight years with the exception of 1984, when it was 9.2 per cent, and 1986 when it was 20.7 per cent. The latter figure was due to one large ATP rural development project in Malaysia (£59m) initiated, as has already been pointed out above, for commercial reasons by a British firm – linked to arms sales (see chapter on Conservative policy).

**Figure 22: Share of Primary Education, Primary Health, Rural Water Supply, Sanitation and Housing (combined) in Total UK Project Aid Allocable by Sector, 1980-87 (Percentage).**

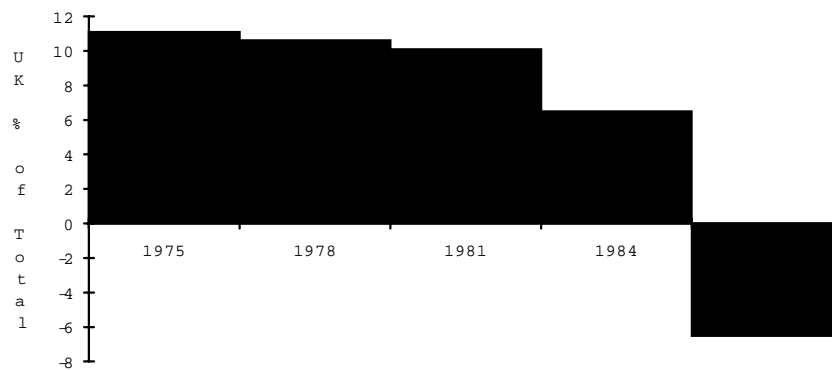


*Source: Projects by Sector: Allocations and Expenditure.*

While this list of priorities may not be exhaustive of all the poverty relieving aspects of project aid, the items included are an attempt to define the minimum for survival.

In terms of multilateral aid, Britain's commitment to providing aid to the poorest must be measured against its record of providing funds for the International Development Agency, the soft loan arm of the World Bank, as well as a number of other UN agencies which base their activities on helping the poorest groups. The recent history of the IDA along with an account of the attempts by the Reagan administration to cut its funds can be found in the earlier chapter on the aid policy of the Thatcher government. Alongside the American attempt to cut overall IDA funds, the Thatcher government imposed a reduction in its percentage contribution to IDA funds at the seventh replenishment in 1984 (at the height of the sub-Saharan famine) on the grounds that its relative GNP compared to other donors had declined. The overall record of British percentage contributions to the IDA can be found in Figure 23.

**Figure 23: Britain's Contribution to IDA Replenishments.**

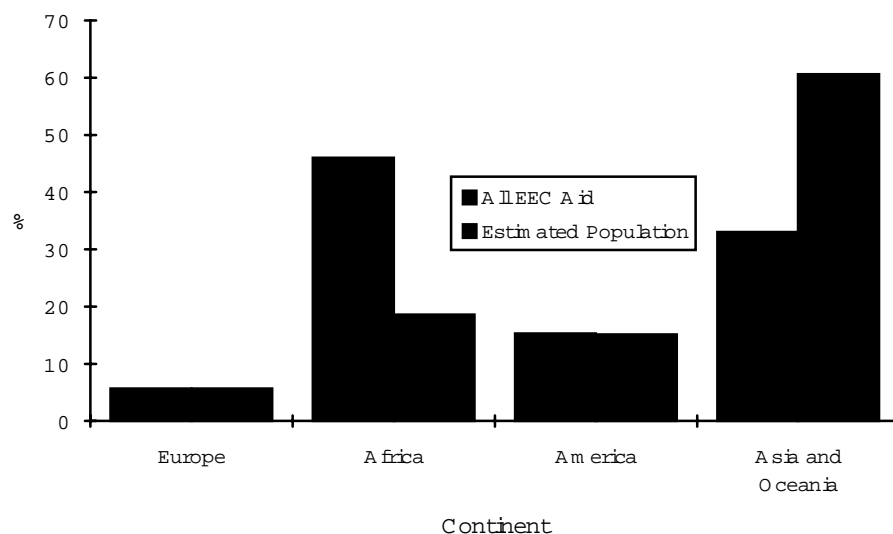


Source: OECD. *Development Cooperation. 1975-86.*

It should perhaps be noted here that, whilst Britain would appear to have been ready to seize on declining relative size of GNP in order to cut its funds to the IDA, it has been more reluctant to even set a timetable for reaching the agreed target of 0.7 per cent of GNP for its Official Development Assistance.

With regard to Britain's contribution to the European aid effort, it should firstly be noted that the terms on which Britain agreed to become a member of the EEC excluded several South Asian Commonwealth countries from being recipients of European Development Fund aid (as well as from gaining the preferential access to European markets accorded to the Asian, Caribbean and Pacific countries (ACP). The result was that former French colonies were favoured and Africa in particular, despite being the poorest continent, ended up getting aid out of all proportion to its population. Table 24 and Figure 24 give some idea of the skewed distribution of EDF aid. From this it can be seen that, in 1972-74, Africa with only 19 per cent of the population of developing countries received 46 per cent of the combined total of European multilateral and bilateral aid and Asia and Oceania with 61 per cent of the population of developing countries received only 33 per cent.<sup>210</sup>

**Figure 24: Distribution of Bilateral and EEC Multilateral Official Development Aid of the Nine EEC Member Countries by Continent, 1972-74 (Percentage).**

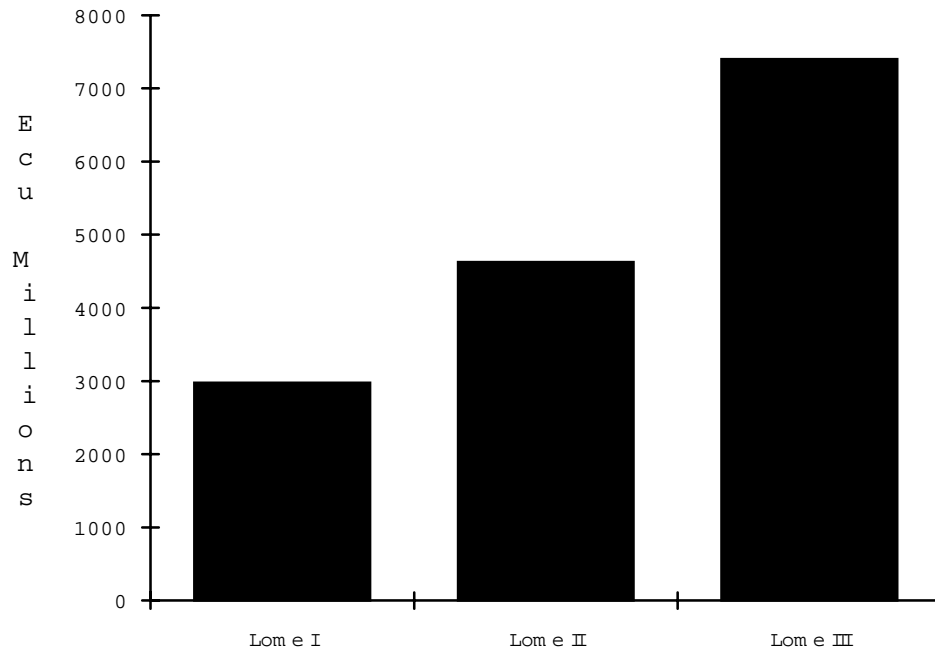


Source: *Geographical Distribution of the Member States Bilateral Development Assistance.*

<sup>210</sup>World Development Movement. *The Shortcomings of EEC Aid.* London, nd.

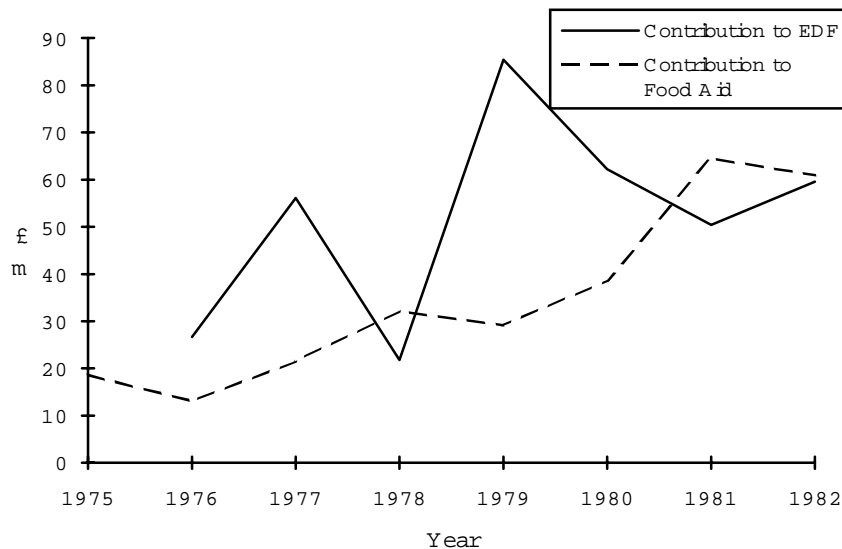
Paralleling its performance at the IDA replenishments, Britain's policy at the 1984 Lome Convention was to limit the amount, and its share, of aid funds to be pledged. The emphasis was placed on further trade concessions instead of increased aid. The result was neither movement on trade, because of the opposition of southern European countries nor an increased aid pledge, in real terms, as it only just kept pace with inflation. Figure 25 gives the Lome aid pledges since Lome 1. Table 26 gives Britain's contribution to the EDF.

**Figure 25: EDF Funding Since 1975 (Current ECU Millions).**



Source: Quoted in IGBA. *Missed Opportunities*.

**Figure 26: UK Gross Contribution to the EDF and EEC Food Aid, 1975-82 (£million, Constant 1980 Prices).**



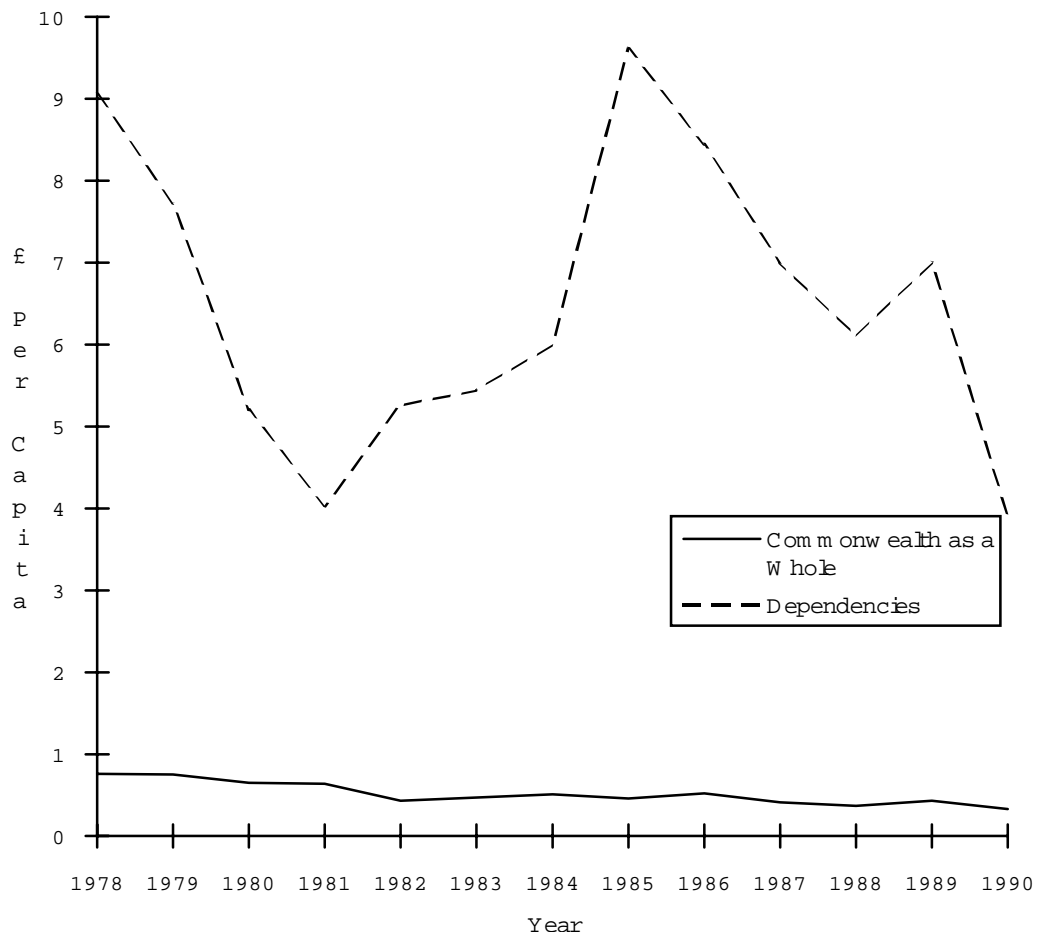
Sources: *British Aid Statistics (op cit)*.

## Political Influences in the Distribution of British Aid

Political influences inevitably make themselves felt on the distribution of aid and detract from a poverty focus. In the case of Britain the colonial legacy remains as an important focus for aid. In 1985, despite a massive outcry over the African famine, Ethiopia, with a population of 40m, received as much aid as Gibraltar with its tiny population. In the same year, the Falkland Islands received £5,000 per person of UK aid while India received 15p per person.<sup>211</sup>

It has been argued that, irrespective of whether these dependencies require financial support, it should not come from the development aid budget. Figure 27 and Table 27 show the relatively high per capita aid lavished on the dependencies, none of which are among the poorest 50 countries. Meanwhile, there has been a steady decline in the per capita aid level given to the often much poorer non-dependency Commonwealth, despite the fact that the average per capita aid level is much lower.

**Figure 27: Distribution of UK Gross Bilateral Aid by Commonwealth Membership, 1978-87 (£ Per Capita).**



Sources: ODA. *British Aid Statistics*; *British Aid 1975-87*; *British Overseas Aid 1975-90*.

<sup>211</sup>Clarke, J. *For Richer, For Poorer*. *Op cit*, p19.

Considerable aid was given to the Somoza regime which was axed abruptly after the Sandinista revolution. Costa Rica and Honduras received respectively 40 times and 87 times more aid per person than did Nicaragua in 1983.<sup>212</sup>

While Nicaragua may not be the poorest country in the world, it suffered a debilitating destabilisation campaign by the USA which wrecked its economy. Other wealthier, middle-income countries in the region receive more aid from Britain, for example Mexico, which received 1.6 times more aid per person than Nicaragua in 1983. Similarly, Thailand received 47 times more aid per person than Kampuchea in 1982. Vietnam received nothing.<sup>213</sup>

In Ethiopia, the British Government abandoned development aid in the late 1970s because it was seen as simply supporting a Soviet client state. Neighbouring Egypt and Sudan (not Soviet clients) on the other hand received £47m between them in 1982. In practice the policy of supporting countries of strategic and commercial interest means little is left over to support less developed nations lacking these attributes. Total aid from all countries to sub-Saharan Africa has stagnated at \$9 billion per year, while debt repayments have risen from \$2.3 billion to \$8 billion.<sup>214</sup> The "Good Government" policy adopted by Hurd is only the latest example of attempts by Northern donors to impose a political model on recipient countries decided by the donor. The paternalism of such schemes is evident in this approach, as is the infringement of recipient country self-determination. The Nicaraguan example indicates the hollowness of such policies. Somoza was "good" and qualified for aid; the Sandinistas were "bad" and got very little. The Hurd policy makes no self-criticism on this score.

### Commercial Influences

The most enlightening figures for the distribution of British aid relate to the growth of commercial influences via the Aid for Trade Provision (ATP). The origins of ATP are traced in the chapter on the aid policy of the Labour Government 1974-79 elsewhere in this thesis. It was introduced in 1978 on the basis that it would be limited to 5 per cent of total bilateral aid. The Thatcher Government ignored this limit upon taking office, and Table 28 and Figure 28 show the rising and subsequently erratic trend in the percentage of ATP within the bilateral budget as a result. The trend does indicate that there was sudden growth in the late 1970s and early 1980s in the commercialisation of the aid budget since 1978. ATP funds are not available to countries regarded as not creditworthy, and it might logically be supposed that this might mean that less aid reaches the poorest countries as a result of this. The extent to which this is true has been investigated by Clark and Toye in a paper submitted to the Commons Foreign Affairs Committee as part of the evidence for a recent report on Bilateral Aid.<sup>215</sup>

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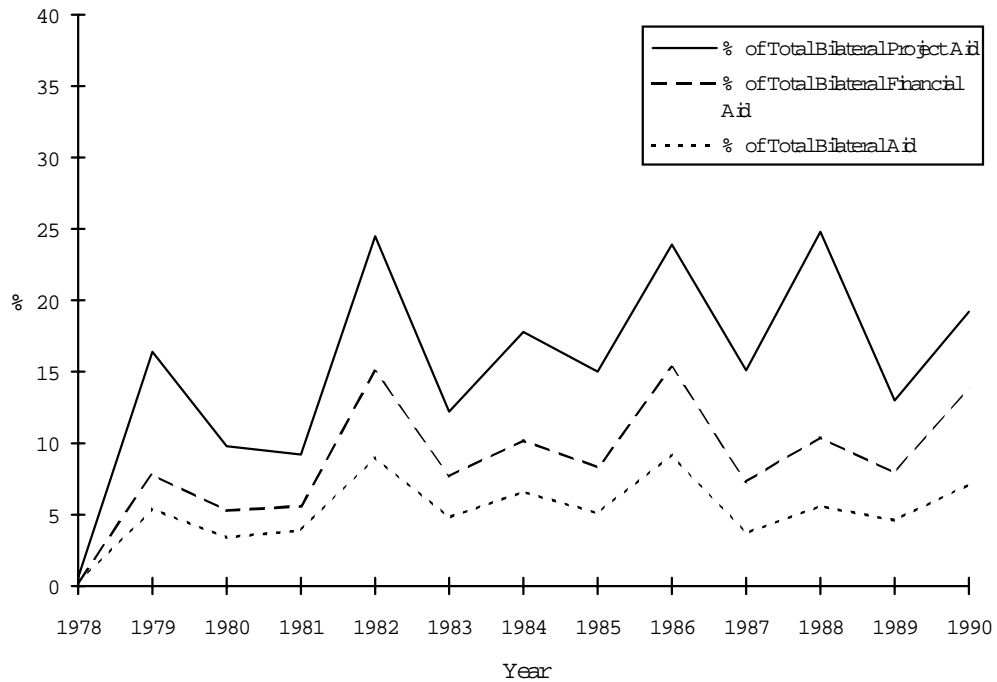
<sup>212</sup>*Ibid*, p19.

<sup>213</sup>Calculated from data taken from: ODA. *Overseas Aid 1982 and World View 1983: An Economic and Geopolitical Yearbook*. London, 1983.

<sup>214</sup>World Bank. *Towards Sustained Development in sub-Saharan Africa*. 1984 Quoted in Clarke, J. *Op cit*.

<sup>215</sup>Commons FCO. Clarke, G and Toye, J. "The Aid and Trade Provision: Origins, Dimensions and Possible Reforms". Appendix 11 to the *Minutes of Evidence. Second Report: Bilateral Aid Country Programmes, op cit*.

**Figure 28: Elements of Total UK Bilateral Project Aid, Total UK Bilateral Financial Aid and Total Bilateral Aid Accounted for by the Aid Trade Provision, 1979-80 (Percentages).**



Sources: *British Aid Statistics*; *British Overseas Aid 1975-87*; *British Overseas Aid 1975-90*.

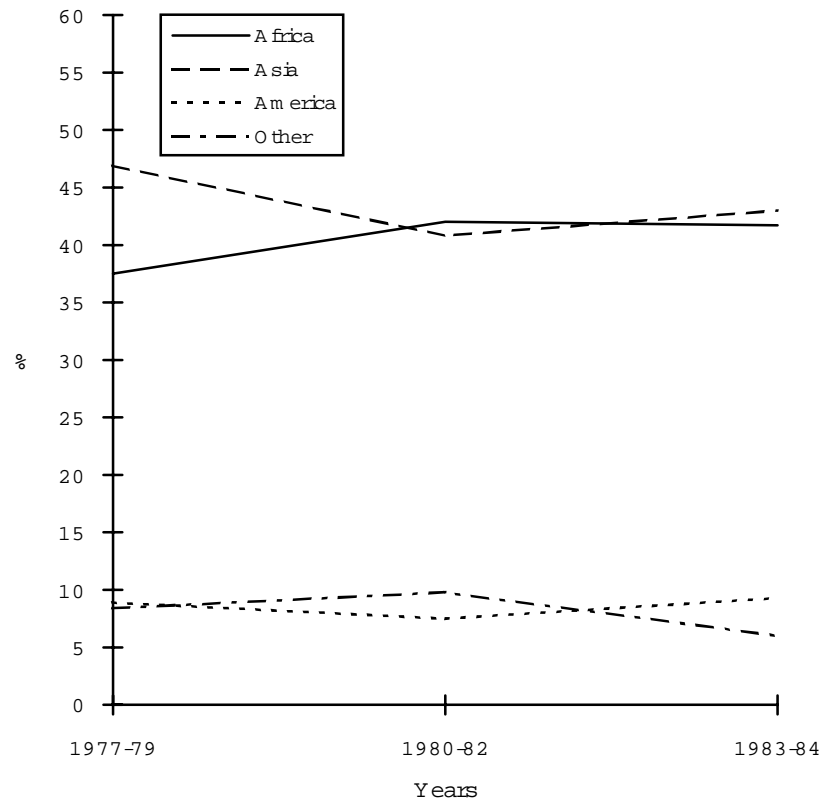
The figures they have gathered from the ODA's British Aid Statistics compare ATP and non-ATP funds during the period 1977- 84. The figures suggest that there are marked divergencies between the destinations of ATP and non-ATP money. Figures 29 and 30 and Tables 29 and 30 indicate that ATP aid has shifted away from Africa to the Americas – a trend which is also reflected in the shift away from the Commonwealth indicated in Figures 31 and 32 and Tables 31 and 32, and as a shift away from the poorest countries, as Tables 33 and 34 confirm.

As the paper states:

"Between 1978-84, roughly two thirds of all non-ATP bilateral aid reached the 50 poorest countries in the world. The comparable figure for ATP aid money was only one third (except for 1983 and 1984 with a 60 per cent share). Middle income countries have done much better from ATP than from non-ATP aid, particularly in the early '80s, when large sums were spent in Mexico and Brazil. (...) the 1983-4 improvement in the share of ATP going to the 50 poorest countries was effectively produced by £30.7m of ATP within three Indian contracts."<sup>216</sup>

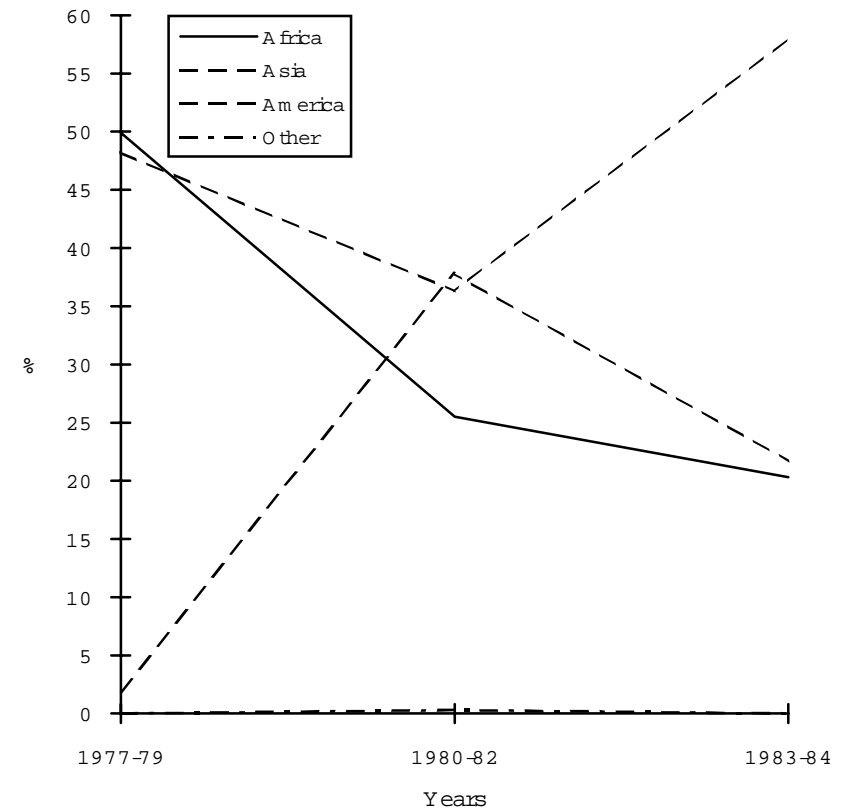
<sup>216</sup>*Ibid*, p197.

**Figure 29: Shares of Non-ATP Bilateral Aid of Allocable Total By Continent, 1977-84 (Percentages).**



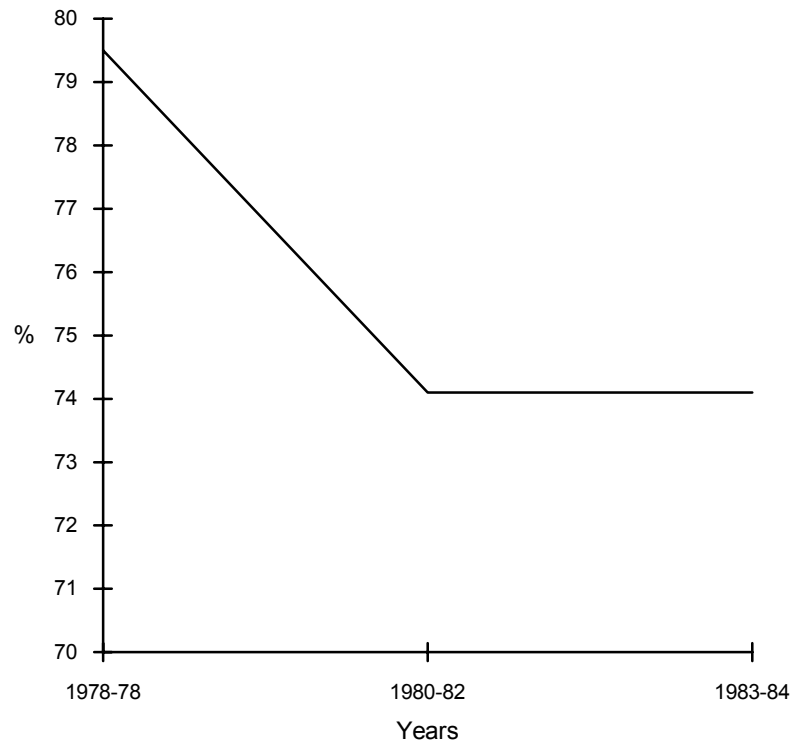
Source: British Aid Statistics.

**Figure 30: Share of UK ATP Bilateral Aid Allocable Total By Continent, 1977-84 (Percentages).**

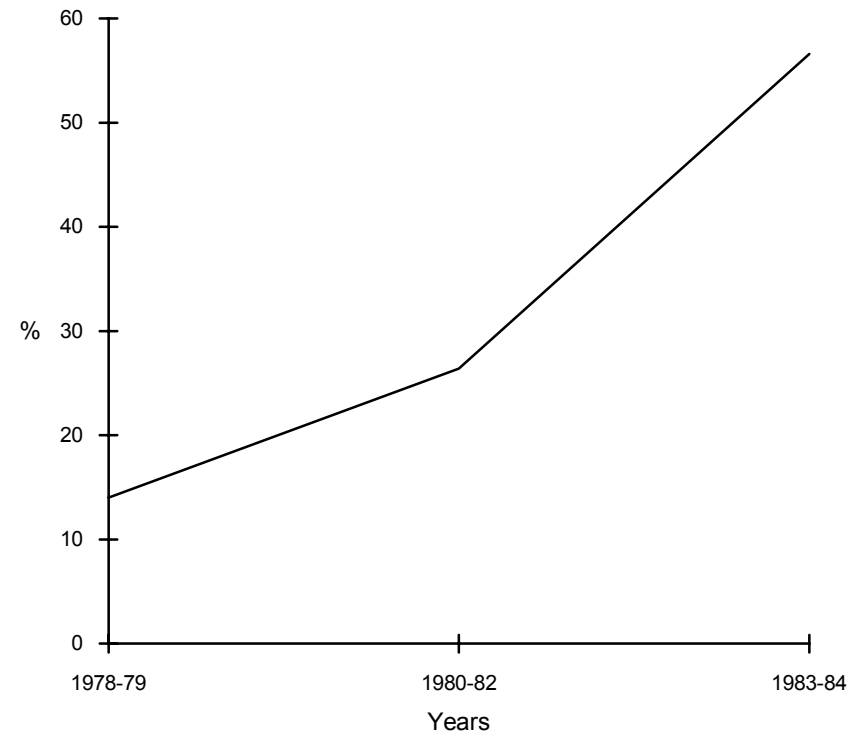


Source: British Aid Statistics. 1978-84.

**Figure 31: UK non-ATP Bilateral Aid to Commonwealth, 1978-84 (Percentages).**



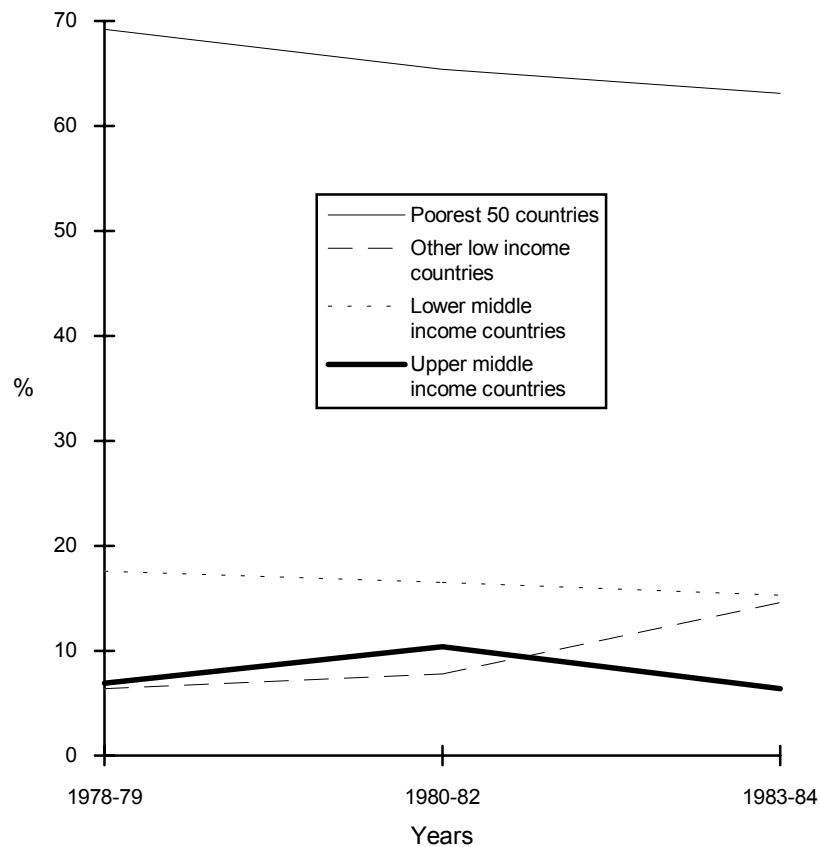
**Figure 32: UK ATP Expenditure to Commonwealth, 1978-84 (Percentages).**



Source: British Aid Statistics 1978-84.

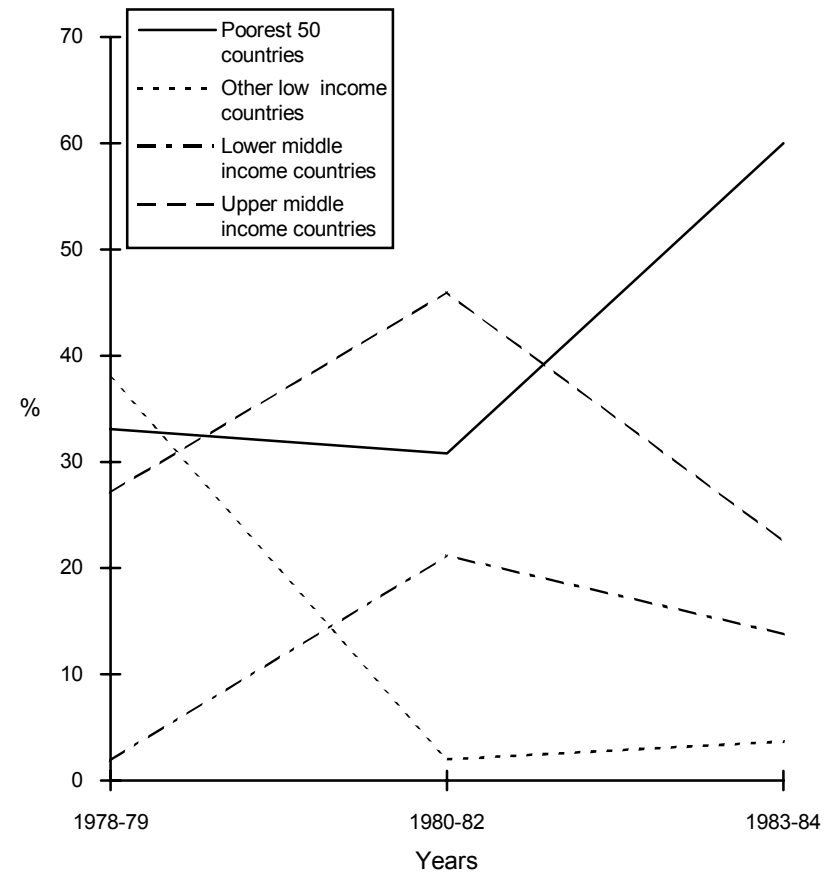


**Figure 33: UK Non-ATP Bilateral Aid, Distribution by Income Groups, 1978-84 (Percentages).**



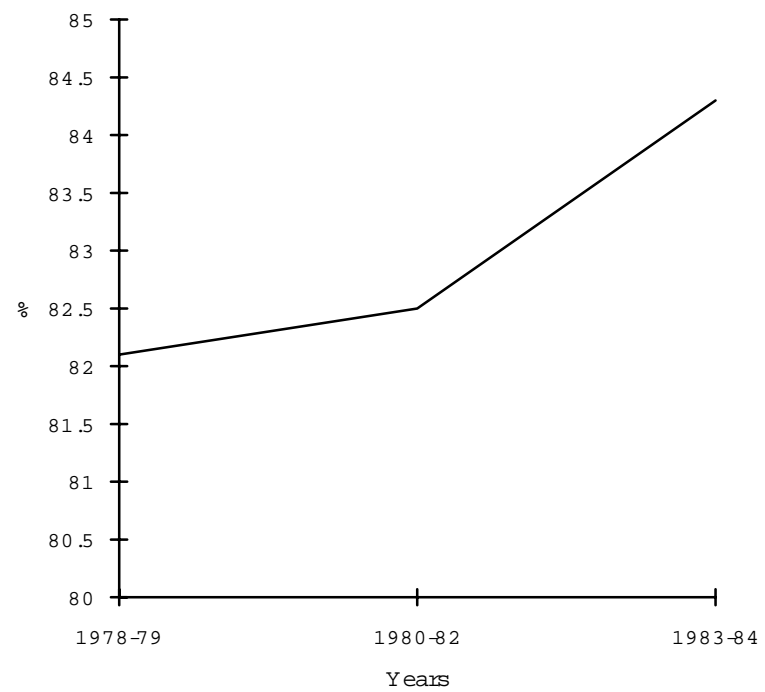
**Source: British Aid Statistics 1978-84**

**Figure 34: UK ATP Bilateral Aid, Distribution by Income Groups, 1978-84 (Percentages).**



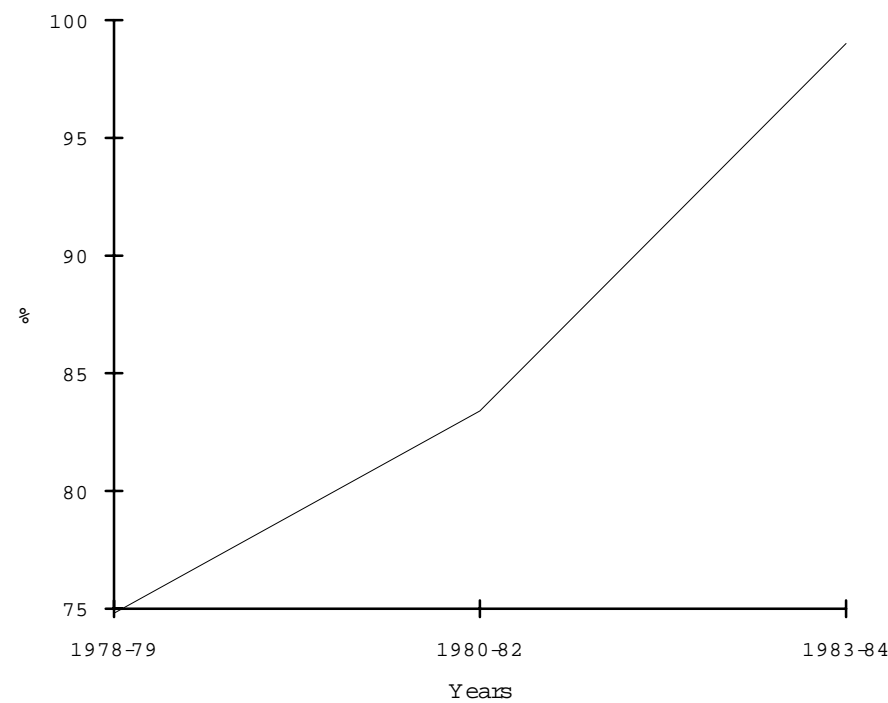
**Source: British Aid Statistics 1978-84.**

**Figure 35: UK Non-ATP Commitments, Grants/Loans Breakdown as a Percentage of Total Bilateral Aid.**



Source: *British Aid Statistics 1978-84; British Overseas Aid 1982-4 Editions.*

**Figure 36: UK ATP Commitments, Grants/Loans Breakdown as a Percentage of Total Bilateral Aid.**

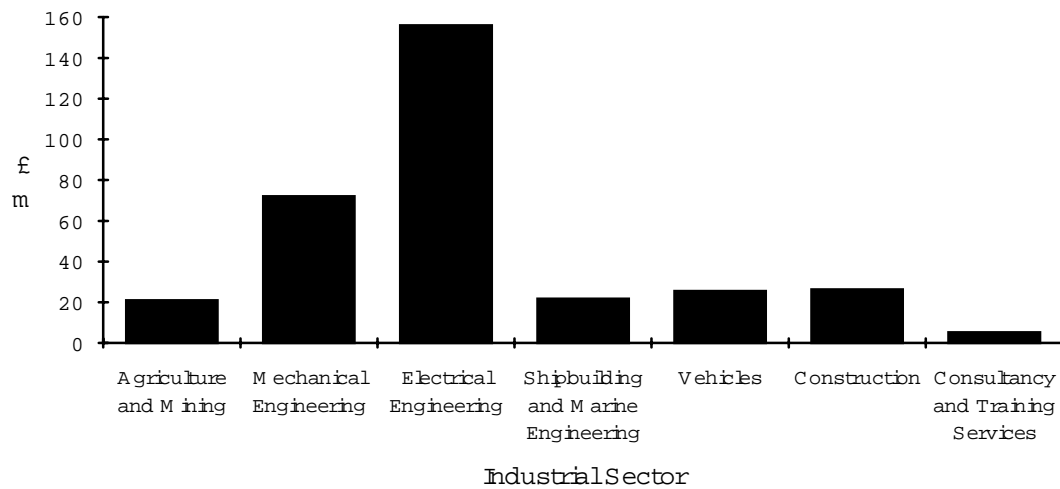


Source: *British Aid Statistics 1978-84; British Overseas Aid 1982-4 Editions.*

The paper notes that the terms of ATP aid have dramatically improved, with much more in the form of grants than non-ATP aid despite the higher proportion of the former going to middle-income countries (Tables 35 and 36 and Figures 35 and 36).

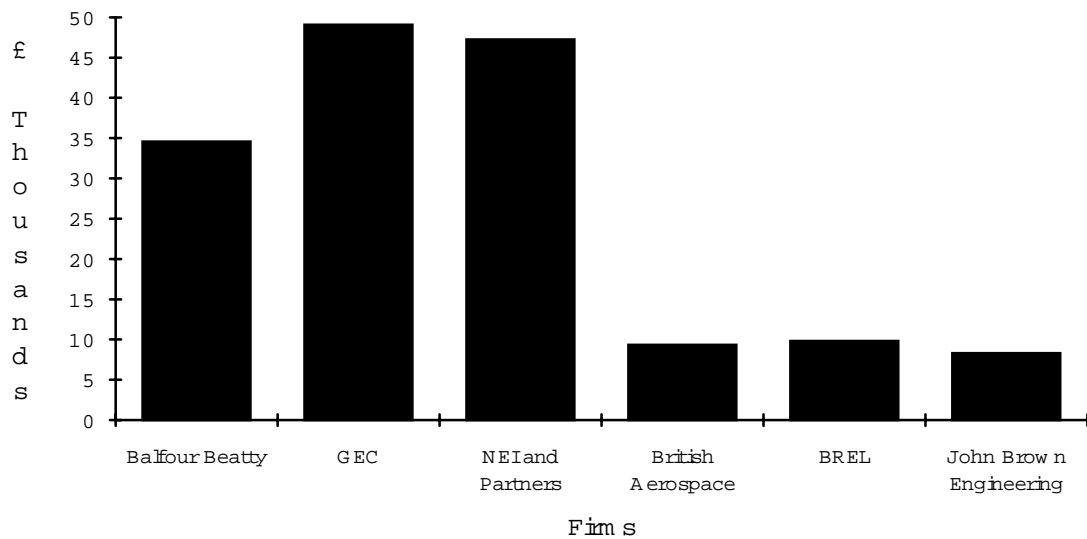
Eighty-four per cent of ATP money between 1978 and 1985 fell within the Standard Industrial Classification, ie mechanical engineering, electrical engineering, shipbuilding, marine engineering and vehicles (see Figure 37). There is a marked bias towards electrical engineering (with 48 per cent of ATP aid in this category). In addition, four firms – GEC, NEI, Davy McKee and Balfour Beatty have absorbed over half of all ATP funds (see Tables and Figures 38 and 39).

**Figure 37: UK ATP Commitments by Industrial Sector, 1978-85: Amount of ATP Money Awarded (£m).**



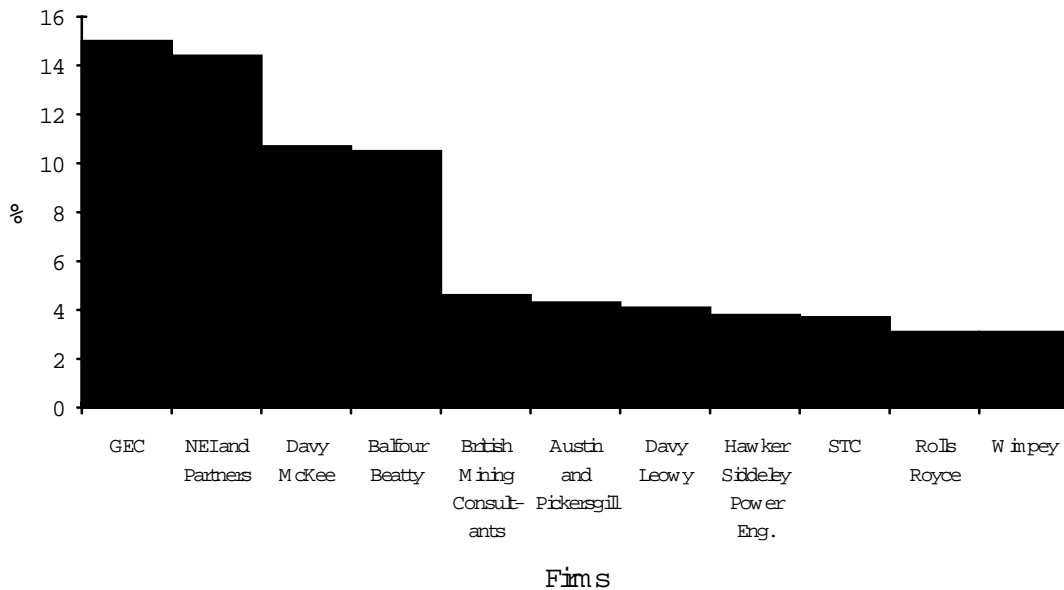
Sources: *British Aid Statistics, 1978-84*; *British Overseas Aid, 1982-4 Editions*.

**Figure 38: UK Firms with 3 or More ATP-Supported Sales, 1978-85: Value of ATP Support (£thousands).**



Source: *British Overseas Aid, 1982-84 Editions*; House of Commons Foreign Affairs Committee, *Second Report*, Session 1981-2 and Overseas Statistics Department.

**Figure 39: UK Firms Receiving More Than £10m ATP Support, 1978-85: Share of Total ATP Support (Percentages).**



*Source: British Overseas Aid, 1982-84 Editions; House of Commons Foreign Affairs Committee, Second Report, Session 1981-2 and Overseas Statistics Department..*

Whereas 32 per cent of non-ATP aid between 1978 and 1984 went towards Renewable Natural Resources, social welfare and the financial sector, no ATP aid went to these sectors. However, 43 per cent of ATP aid went to the energy sector compared with 28 per cent on non-ATP money. (Tables and Figures 40 and 41). This, according to Clarke and Toye, is a:

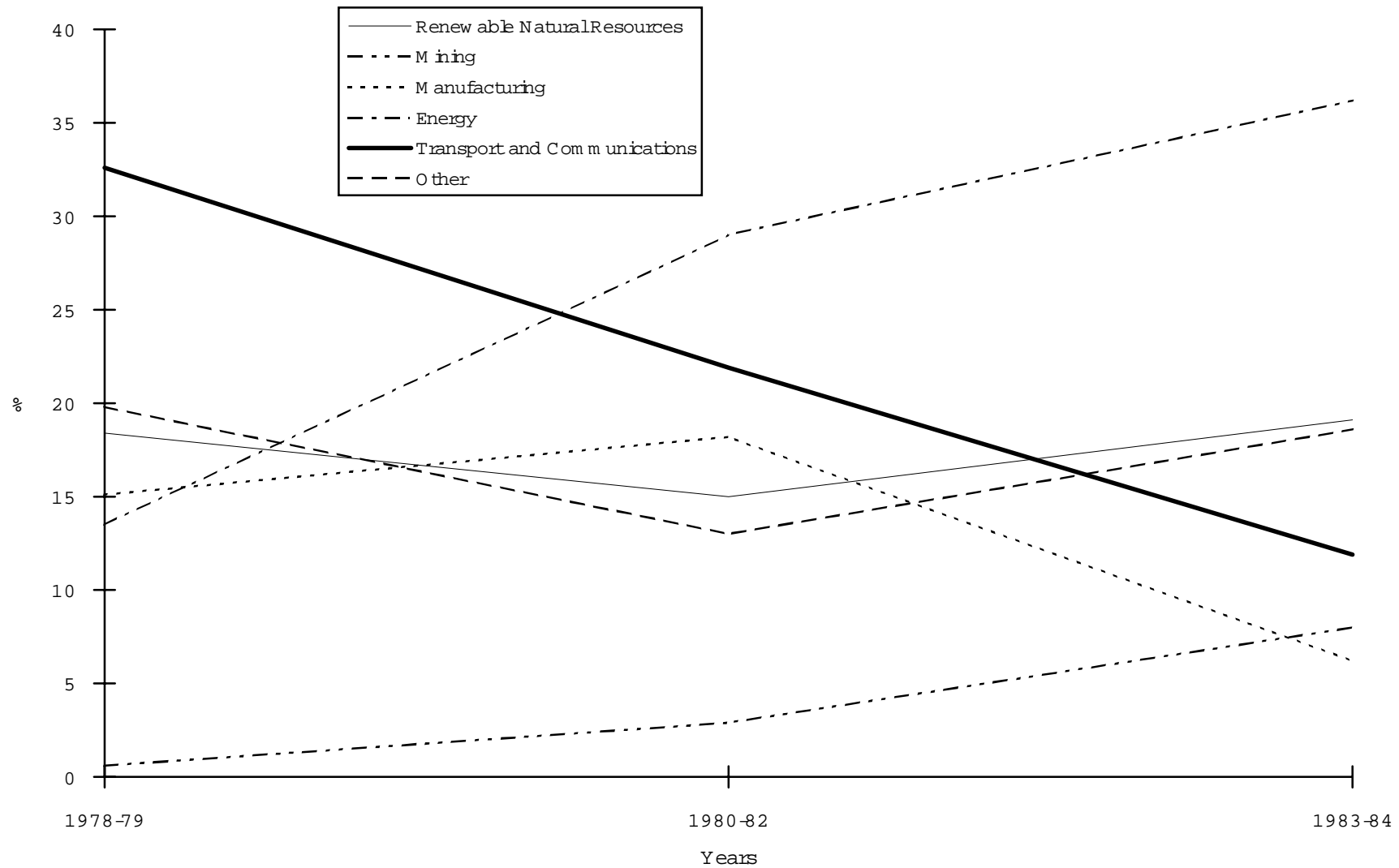
"reflection of the intense concentration of ATP funds on the electrical engineering sector within the UK and on two leading UK firms, GEC and NEI."<sup>217</sup>

The commercial influence was brought to light very vividly, as we have seen elsewhere in this thesis, by the Pergau Dam affair. Malaysia is a comparatively well-off country in Third World terms, and there are many more poorer countries in Asia and Africa which might have been better candidates for development aid. The exposure of the link between aid and arms illustrates very clearly how ATP diverts aid from the very poorest countries to the NICs. It would be naive to assume that this was an isolated case, as Joan Lestor has pointed out in another part of this thesis.

We can conclude this chapter by asserting that the earlier analysis of Labour and Conservative aid policies has been generally vindicated by the figures presented here. At all levels there has been a quantitative as well as qualitative deterioration of British aid which has gathered pace under the Conservative government. The volume of bilateral ODA has been cut by a third in real terms since 1979 Britain's percentage commitments to the IDA have been cut during a period of acute famine in Africa (development aid was cut, not famine relief). As a percentage of GNP, gross ODA has never been lower, reaching an all-time low in 1990. 60 per cent of British aid is tied and local costs have generally been well below 10 per cent of

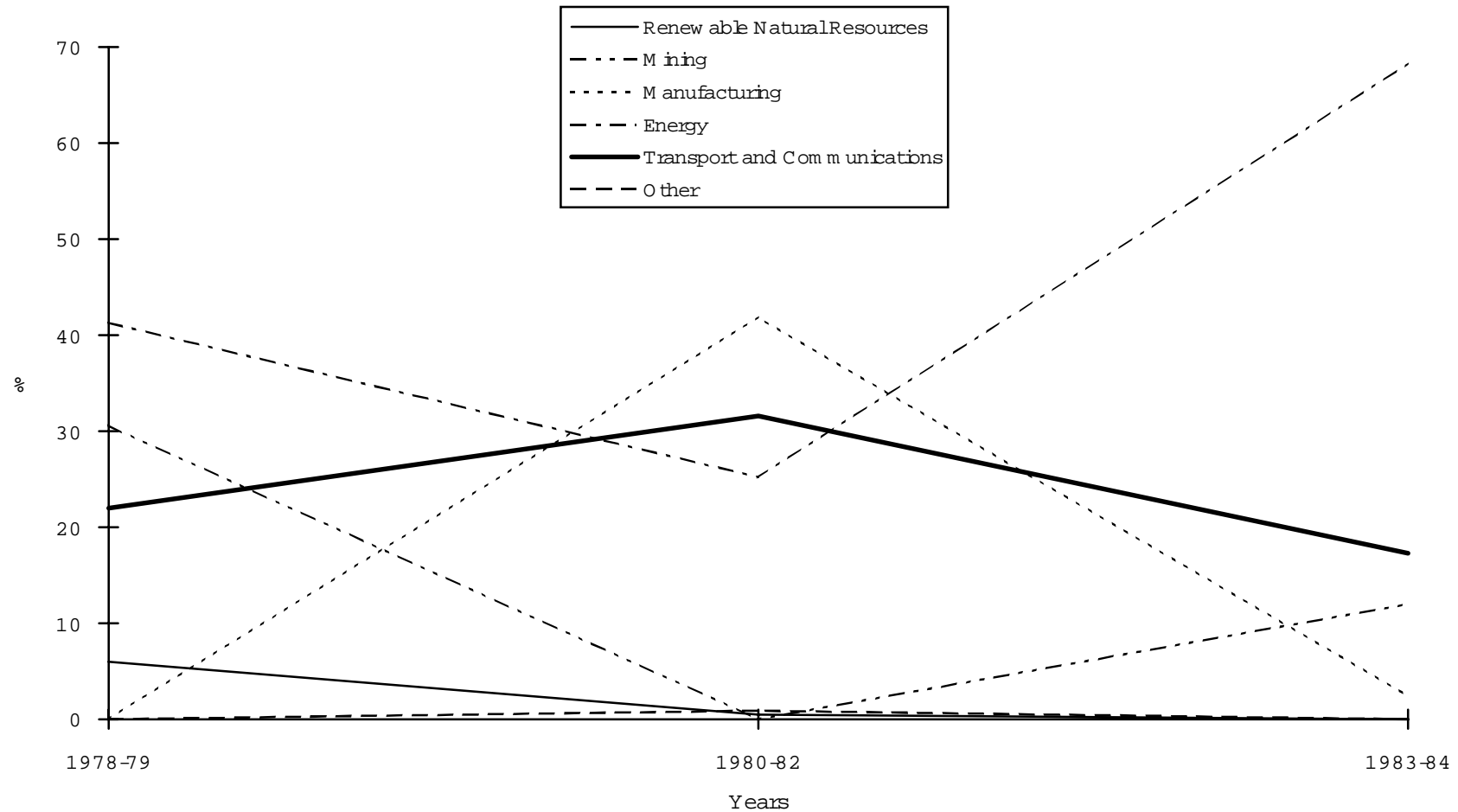
<sup>217</sup>*Ibid*, p198.

**Figure 40: UK Non-ATP Bilateral Aid By Sector Affected in the Recipient Country, 1978-84 (Percentages).**



Source: British Aid Statistics.

**Figure 41: UK ATP Bilateral Project Aid by Sector Affected in the Recipient Country, 1978-84 (Percentages).**



Source: British Aid Statistics.

bilateral aid which is far too low to generally implement a serious poverty-focussed programme although there has been some lifting of restrictions for the very poorest countries announced in the summer of 1990. Political criteria, most notably in the case of Ethiopia in the late 1970s and early 1980s, are causing gross distortions in the distribution of British aid as are also the skewed priorities within the Commonwealth in favour of the relatively well-off dependencies. Commercialisation under the Thatcher Government has also further distorted the aid programme through the use of ATP which, as we seen, is directed at quite different and more privileged destinations. All the trends indicate that there has been a sustained mauing of the aid programme and there would seem to be no signs of a reverse.

The proportions of aid going to the human development priority areas cited by the UNDP Human Development Report indicate a lack of commitment to these areas of basic need and survival. The UNDP indicates, as we have seen, that only 8 per cent of total British Official Development Assistance went to these areas. Within project aid agriculturally-related activities have been dominated by cash crops, their related processing and infrastructure despite the fact that there has been a steady decline over the decade of the 1980s. When these are subtracted it has been shown that agriculturally-related aid from all project aid sectors, a category that might be thought of as being one of the most critical to meeting basic needs, accounted for 20 per cent or less of total project aid allocable by sector in six out of the nine years examined.

Within the education sub-sector of social and community services, primary education generally accounted for less than 15 per cent and for less than 10 per cent in four out of nine years. Within the health sub-sector, primary health areas other than family planning accounted for less than 20 per cent in five out of eight years and less than two per cent in two of these years. When the urgency of the need for primary health care beyond that of family planning is concerned these are pitifully low percentages.

We have seen also that basic education, primary health, rural water supply, sanitation and housing accounted for less than 7 per cent of project aid in most years. At all levels therefore it can only be concluded that nowhere near enough priority is given to the basic human development needs necessary for survival in the British aid programme.

## Chapter 6

### British Aid and the Environment

The dramatic increase in public awareness of the "green" issues in Britain over the past few years has, as we have already seen, created a constraint on the ability of the Conservative government to justify the effects of its aid policy on the environment. A popularisation of the concept of "sustainable development", which resulted from the publication of the Brundtland Report in 1987, has led to a sharp shift into "green" rhetoric, at least, on the part of the Conservative government.<sup>218</sup>

In this chapter an examination will be made of the record of British aid in relation to the environment and the extent to which the adoption of "green" rhetoric by the ODA has been borne out in practice. In addition, an examination will be made of the ideas of the green movement itself in relation to the political and socio-economic causes of environmental destruction which it has so eloquently described.

The concept of sustainable development was defined in the Brundtland report in the following terms:

"If large parts of the developing world are to avoid economic, social and environmental catastrophes, it is essential that global economic growth be revitalised... this means more rapid economic growth in both industrial and developing countries, freer market access to the products of developing countries, lower interest rates, greater technological transfer and significantly larger capital flows, both concessional and commercial.

"The commission's overall assessment is that the international economy must speed up world growth while respecting the environmental constraints... But for them to emerge from dependence a general acceleration of global economic growth is not enough. This would mean a mere perpetuation of existing economic patterns... a continuation of economic growth and diversification, along with the development of technological and managerial skills, will help the developing countries mitigate the strains on the rural environment, raise productivity and consumption standards, and allow nations to move beyond dependence on one or two primary products for their export earnings... Future patterns of agricultural and forestry development, energy use, industrialisation, and human settlements can be made far less material-intensive and hence both more economically and environmentally efficient".<sup>219</sup>

The publication of the Brundtland Report resulted in a speedy formal government response in Britain. The Department of the Environment produced *Our Common Future: a Perspective by the UK on the Report of the World Commission on Environment and Development*, and in September 1989 a report on the steps

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<sup>218</sup>World Commission on Environment and Development (WCED). *Our Common Future* (The Brundtland Report). OUP, 1987.

<sup>219</sup>*Ibid*, pp89-91.



which government departments were taking to implement some of the Brundtland recommendations, *Sustaining Our Common Future: A Progress Report by the UK on Implementing Sustainable Development*. Both of these publications, unsurprisingly, warmly endorsed the findings of the report since the commitment to continued growth and the more efficient use of resources was existing UK policy.

The initial government response, in the first of the above publications, to the concept of sustainable development and the compatibility of economic growth and the protection of the environment was presented in the following terms:

"At the heart of the World Commission's report *Our Common Future* lies the concept of sustainable development or 'development without destruction'. It is not a totally new concept. For centuries it has been the approach adopted by rural societies in working the land and its soils, the forests and the woodlands, and the fresh and sea waters under their stewardship... Successfully applying this tried and tested concept to meet modern conditions will represent a major breakthrough in managing and reconciling two vital elements that only a decade ago were regarded as being fundamentally incompatible: economic growth and the conservation of natural resources. The *Report* demonstrates that with wise management not only can the two be made compatible, but that they are essential to each other."<sup>220</sup>

Support for the compatibility of growth and environmental protection came in August 1989, when a British Government-commissioned report by Professor David Pearce endorsed it and produced some proposals to put the concept of sustainable development into operational practice. The report did suggest, however, that sustainable development ought to displace the focus away from economic growth as it has been hitherto perceived towards development and towards the quality of life rather than income by itself. In order to correctly decide how a "trade off" can be made between economic growth and environmental quality, an economic value must be assigned to environmental considerations. Thus the future loss of certain resources must be estimated in order to evaluate policy options. Prices in general would have to incorporate the value of the environmental impact of the depletion of resources.<sup>221</sup>

This would appear to be a response to the criticisms of environmentalists who have argued for some time that while market economics can price the inputs to manufacturing it has been unwilling to price the value of environmental degradation

The Brundtland report led to a good deal of controversy in environmentalist circles where the concept of growth plus diversification away from monoculture and greater efficiency in the use of resources through improved technology has been challenged on the grounds that it is too little too late, and a nil-growth policy has been advocated which would limit consumption of resources to the ecological 'interest' without cutting into the ecological 'capital'. Rees argues that the view that growth can be sustained indefinitely stems ultimately from the Cartesian, mechanical world view which classical economics borrowed from Newtonian

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<sup>220</sup>Department of the Environment. *Our Common Future: A Perspective by the UK on the Report of the WCED*. London, 1988, p7.

<sup>221</sup>Pearce, D, Markandya, A, Barbier, E B. *Blueprint For A Green Economy* (The Pearce Report). London, 1989.

physics and which still shapes the thinking of present day neo-classical economists. According to this view, it is argued, thought is shaped by a "subject-object dualism" which sees the environment (object) as secondary to the human race (subject), economic processes are seen as self-sustaining circular flows between production and consumption within a closed system. The economy adjusts itself in response to changes in events if left alone to do so. Against this, some environmentalists would argue that there is no separation in reality between the human economy and the environment: they are all part of the same system or biosphere. There is no closed economic system because the economy relies upon natural resources. Unlimited growth is in danger of destabilising the ecological life support system, which provides these resources, through over-harvesting and the subordination of eco-systems to its exigencies. Viewed from this wider scientific point of view and utilising the thermodynamic concept of "entropy" (ie disorder in the sense of the dissipation of energy and matter) it is argued that, whereas eco-systems do not increase the net amount of disorder, economic systems do. Eco-systems utilise solar energy from the Sun through natural production processes (photosynthesis) and this does not involve the use of non-renewable resources, as do economic production processes. Eco-systems recycle their waste via food chains and other biological mechanisms. Evolution and succession increase net order. Economic systems, it is pointed out, degrade their non-renewable resources and thus increase net entropy through the dissipation of available energy and matter. This is true of both the products of economic production as well as the by-products, because all becomes waste sooner or later. Thus even production in the economic sense is in reality consumption in the thermodynamic sense. Eco-systems are only limited by the availability of nutrients, appropriate exposure to solar energy and photosynthetic efficiency. But whereas eco-systems are maintained in a steady state by negative feedback, economic production is characterised by positive feedback, which means that its growth is characterised by uncontrolled growth. This growth threatens to undermine the conditions which allow for the self-sustaining development of eco-systems. Economic production is not self-regulating in the sense that the market does not provide signals to society which automatically cause it to regulate its abuse of the ecological life-support system which underpins it.<sup>222</sup>

The conclusion for sustainable development is that the ecological limits to growth dictate that sustainable development can only be development which minimises the use of resources and the net increase in global entropy. As one environmentalist comments:

"Most discussion of sustainable development in the socio-political mainstream emphasises the need to sustain economic growth and assumes that we can 'account for' the environment through greater efficiency of resource use, improved technology, better pollution control and wider use of environmental assessment. Such incrementalism may constitute a necessary first step but by itself would result in little more than a somewhat better dressed version of the growth-bound status quo requiring a minimum of adjustment by either industry or individuals. The evidence suggests, however, that we may be fast approaching absolute limits to material economic growth. We no longer have the luxury of 'trading-off' ecological damage for economic benefits if we hope to have a sustainable

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<sup>222</sup>Rees, W E. "The Ecology of Sustainable Development". *The Ecologist*, Vol 20, No 1, January/February 1990, pp18-23.

future. The maintenance of global ecological integrity necessarily becomes our highest priority and must be taken account of in every local and regional development decision."<sup>223</sup>

This approach has a certain superficially persuasive elegance about it and certainly there is a lot of truth in its criticisms of the neo-classical economists' arguments. The analysis is convincing, but the conclusion that growth must be curtailed would seem to be misconceived. Under capitalism, all sorts of socially unnecessary production occurs simply because a profit can be made from it. Thus in the field of transport the motor car is a classic example of a product which is wasteful of fossil fuel and which is ruining the environment. It could be replaced by a first class cheap and efficient public transport system if society put its mind to it. However, entrenched vested interests in the form of the oil and motor firms would resist such a course and their power is considerable. If one thinks of the amount of paper consumed by the advertising and packaging of products sold on the basis of false need, or the materials unnecessarily used up on luxury goods linked to the skewed values of consumerism, it can be seen that resources are being unnecessarily consumed. It is the blind, uncontrolled and limitless accumulation created by the market for profit that is problematical. The growth of socially useful production for need severed from the unnecessarily wasteful and extravagant squandering of resources for profit would be growth limited only to need, not accumulation for its own sake.

One question on which the environmentalists, the Brundtland Commission and the Thatcher Government would appear to be united on, however, is that of the crucial importance of population growth as a factor in causing environmental destruction. The most well known writer to assess population growth in relation to the earth's inability to feed people is perhaps Paul Erlich, who wrote *The Population Bomb* in 1968. A number of other writers argue that, while population pressure is a factor in explaining the pressure on resources, there is no demonstrable correlation between population density and, for example, hunger or environmental destruction. Whilst environmentalists may be very good at descriptions of what is happening in terms of the effects of economic activity on the environment, they have been less clear, it is argued, on the relative importance of the factors which cause these effects. A number of examples have been cited of countries where population density is relatively high compared to another country but where hunger or environmental destruction is less severe. As Francis Moore Lappe argues:

"China, for instance, has only half as much cropped land per person as India, yet Indians suffer widespread and severe hunger while the Chinese do not. Sri Lanka has only half the farmland per person of Bangladesh, yet when effective government policies kept food affordable, Sri Lankans were considerably better fed than Bangladeshis. Costa Rica, with less than half of Honduras' cropped acres per person, boasts a life expectancy – one indicator of nutrition – fourteen years longer than that of Honduras, and close to that of industrialised countries... and Cuba, which leads the third world in terms of life expectancy, low infant mortality rates and good nutrition, has a population density similar to Mexico's, where hunger is rampant."<sup>224</sup>

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<sup>223</sup>*Ibid.*

<sup>224</sup>Lappe, F M and Schurman, R. *Taking Population Seriously*. London, 1988, p11.

Clearly, other, more important, factors are at work than population density in explaining hunger. The same is true of environmental destruction. Brazil springs to mind as an example of a country which is not short of land in relation to its population. The land tenure system which means that a small minority of landowners monopolise vast areas of the countryside forces the landless of the north east to migrate to the Amazon. Amazonian colonisation and the conversion of unsuitable forest land for agricultural purposes is used as an alternative to a more equitable distribution of suitable agricultural land in other parts of Brazil. Land reform is forcibly resisted by landowners, and the last attempt to redistribute some land under Goulart in the early sixties resulted in a military coup. In other parts of the world, there is undoubtedly less scope than in Latin America for redistribution of good land, such as Indonesia, where much rain forest is being cleared, land ownership is nevertheless highly unequal. The transmigration project in which landless people were being moved out of overcrowded Java to the less densely populated outer islands was an exercise in avoiding the thorny political issue of land reform in Java at the expense of the forests and lands which are beneath them (which are unsuitable for agricultural purposes) in the outer islands. As we shall see below, commercial logging, ranching and other large scale entrepreneurial activities are far more important in destroying the forests than migrants.

Overemphasis on population growth by some environmentalists would appear to be a result of a one sided appraisal of the relative importance of the socio-economic factors which are responsible for environmental destruction. In its analysis of the causes of the destruction of the forests and species in general, the Brundland Report makes no mention of unequal land tenure patterns and spends a good deal of time talking about population pressures. After talking in the previous two paragraphs about the major "threat" of population growth it continues as follows.

"Brazil, Columbia, Cote d'Ivoire, Indonesia, Kenya, Madagascar, Peru, the Philippines, Thailand, and other nations with an unusual abundance of species already suffer a massive flow of farmers from traditional forest homelands into virgin territories. These areas often include tropical forest, perceived by the migrants encouraged to farm there as 'free' lands available for unimpeded settlement."<sup>225</sup>

In the absence of any mention whatsoever about the skewed land tenure context of the migration in north-east Brazil and the other countries mentioned, a grossly distorted impression is presented that this is solely the cause of environmental destruction. Indeed, in the whole report the only references to land tenure would appear to be occasional codified and understated remarks in passing which are not developed, or given the emphasis they merit, such as:

"In addition, threats to the sustainable use of resources come as much from inequalities in people's access to resources and from the ways in which they use them as from the sheer numbers of people".<sup>226</sup>

and:

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<sup>225</sup>WCED. *Op cit*, p153.

<sup>226</sup>*Ibid*, p95.

"Inequitable distribution of production assets, unemployment, and underemployment are at the heart of the problem of hunger in many countries."

Given this failure to adequately address the land question, the report is only able to describe but not address the causes of population growth itself.

"Poverty breeds high rates of population growth: families poor in income, employment and social security need children first to work and later to sustain elderly parents. Measures to provide an adequate livelihood for poor households, to establish and enforce minimum age child labour laws, and to provide publicly financed social security will all lower fertility rates."<sup>227</sup>

As Lappe and Schurman point out, population growth is linked to powerlessness at the political, economic and social levels of the poor to achieve security. In rural society power is linked to land ownership, and since the report fails to confront this issue it is unable to do anything other than acknowledge that the problem exists. It offers no way forward other than birth control which, in a context of powerlessness, can lead to the coercive curtailment of self-determination on the part of women. The low status of women within the family is another expression of powerlessness to avoid expectations on the part of men that they should have lots of children. The absence of social security provision also leads poor people to seek security in large numbers of children as a workers when young and as a source of old age insurance.

Similarly, economic power at the international level in the form of the debt problem has led to an even greater shift of resources away from the poor which has not helped population growth. As Lappe and Schurman point out:

"... between 1982 and 1987, the net transfer from poor countries to banks and governments in the rich countries totalled \$140 billion, or the equivalent of two Marshall Plans. How did third world countries come up with such sums? Health and welfare budgets got slashed first. And to earn foreign exchange land and credit increasingly went to export crops... But reduced health care budgets means that more babies die and fewer resources are available for comprehensive family planning care. More resources devoted to crops for export means that locally, food becomes more scarce and expensive. Add to this cuts in government food subsidies... Thus, the "international debt crisis" – seemingly remote from intimate reproductive behaviour – ends up affecting conditions of basic family security, health, and nutrition known to influence fertility."<sup>228</sup>

Population growth can be used as a means of presenting environmental destruction as being caused by "natural" causes rather than seeing the causes of both population growth and environmental destruction as being caused by socio-economic inequalities and powerlessness. Famines and floods caused by commercial over-exploitation of land and the commercial felling of forest cover of watersheds are frequently presented in a similar fashion as "natural" disasters.

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<sup>227</sup>*Ibid*, p106.

<sup>228</sup>Lappe and Schurman. *Op cit*, p31.

Another report, *Tropical Forests: a Call to Action, Report of the International Task Force Convened by the World Resources Institute, and the United Nations Development Programme*, published in 1985 by the World Resources Institute (WRI) and associated with the FAO's Tropical Forests Action Plan (TFAP) has also been influential in shaping British aid policy.

This report has also received sharp criticism from Indian environmentalist, Shiva, who argued that the report contained the classic myths of British colonial forestry policy which were used to carry out extensive deforestation historically:

"There are four pervasive myths behind current international forestry programmes which militate against their becoming strategies for the ecological and economic recovery of marginalised communities. The four myths are: (a) That people, not profits, are the primary cause of tropical deforestation; (b) That the 'developed' world has protected its forests and must teach conservation to the Third World; (c) That commercial forestry, based on private ownership, can solve the fuelwood crisis for the poor; and (d) That commercial afforestation can guarantee ecological recovery."<sup>229</sup>

Shiva was particularly critical of the report for identifying the cause of deforestation as being the rural poor rather than commercial interests. She maintains that the tribal peoples who inhabit the forests have been an example of humans living in complete harmony with the forest environment living off the ecological "interest" only and resisting destruction by outside commercial interests. She cites the following section of the report as being an example of this view:

"It is the rural poor themselves who are the primary agents of the destruction as they clear forests for agricultural land, fuelwood and other necessities. Lacking other means to meet their daily survival needs, rural people are forced to steadily erode the capacity of the natural environment to support them."<sup>230</sup>

Even in other parts of the Third World such as Amazonia where migrants from the poverty-stricken Brazilian north east have been driven to clear the forest (and on occasions in conflict with tribals) it has been estimated that 60 per cent of the forest destruction has been the responsibility of a small number of large commercial ranchers who have been heavily subsidised by the Brazilian government.<sup>231</sup>

However, in defence of the report, as Hayter has noted, the above view does ignore certain statements which appear to register Shiva's concerns and which present a more balanced assessment of these and other factors which lead to deforestation. The following statement from the WRI report would appear to contradict the earlier quotation from the same report cited above in terms of who is primarily responsible for deforestation.

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<sup>229</sup>Shiva, V. "Forestry Myths and the World Bank". *The Ecologist*, Vol 17, No 4/5, 1978, pp142-149.

<sup>230</sup>World Resources Institute. *Tropical Forests: a Call to Action, Report of the International Task Force Convened by the World Resources Institute, and the United Nations Development Programme*. (quoted in Shiva. *Op cit*, p143).

<sup>231</sup>Plumwood and Routly. *World Rainforest Destruction*. No 7 (quoted in Lappe, F M and Collins, J. *World Hunger: Twelve Myths*. London, 1986, pp34 and 144).

"Deforestation is a complex problem. The spread of agriculture, including crop and livestock production, is the single greatest factor in forest destruction. The rural poor are often unjustly held responsible. They are often the instruments of forest destruction, caught in a chain of events that forces them into destructive patterns of land use to meet their basic needs for food and fuel. The real causes of deforestation are poverty, skewed land distribution (due to historical patterns of land settlement and commercial agricultural development), and low agricultural productivity."<sup>232</sup>

As Hayter comments, the problem is not that the above quotation is wrong, but that it will not affect the real policies which the aid agencies are likely to pursue.

Sustainable development in relation to British policy was outlined in an ODA publication, *Sustaining Our Common Future: a Progress Report by the United Kingdom on Implementing Sustainable Development*. Sustainable development is summarised as follows:

"To persuade others of the compatibility of economic development and environmental protection. To examine the scope for an effective combination of market mechanisms and regulation, nationally and internationally. To encourage other countries to adopt economic measures designed to address global environmental problems. To support work to clarify the links between environmental degradation and population growth. To ensure that programmes to assist developing countries are environmentally sound and help them to tackle local, regional and global environmental issues. To encourage other donor countries to address the environmental needs of developing countries."<sup>233</sup>

Given that the policy of the Thatcher government is to limit government constraints on the market, it is difficult to see how the first two points can make any realistic sense. The points made above on growth by environmentalists, misconceptions notwithstanding, challenge the compatibility of unlimited growth with market economics. The preoccupation with population and the absence of any mention of unequal land ownership reflect the shortcomings of the Brundtland report in these areas.

An ODA publication, *The Environment and the British Aid Programme*, does, however, cite, but once again in passing and without any development, the causes of environmental destruction as including land tenure arrangements, policies that encourage unsustainable resource use, population growth, deforestation, the absence of environmental controls, industrialisation and inefficient energy use. It also proposes that the mechanism for implementing measures to safeguard the environment should be the structural adjustment programmes.

Such programmes are designed to promote export-led economic growth, which as we have seen is not a solution to environmental problems.

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<sup>232</sup>World Resources Institute. *Op cit* (quoted in Hayter, T. *Exploited Earth*. London, 1989, p46).

<sup>233</sup>ODA. *The Environment and the British Aid Programme*. 1980, p8.

"The structural adjustment policies of developing countries supported by multilateral and bilateral donors can have important environmental consequences. In many instances, policies designed to make prices less distorted will have beneficial environmental effects. An obvious example is the removal of subsidies on the use of fossil fuels, which tend to encourage the more efficient use of energy. Structural adjustment also provides a framework for rationalising the balance of public expenditure programmes and taxation. Thus a greater emphasis on afforestation or water management in public expenditure plans could be environmentally beneficial. Removal of fiscal arrangements that encourage forest clearance may increase net revenues, whilst also contributing to environmental goals."<sup>234</sup>

Behind these stated goals lies, it has to be said, the reality that all cuts in subsidies are advocated not because of any concern for the environment, but in order to clear the decks for the promotion of export led growth to pay off the foreign debt. Thus, it is not suggested that savings from cuts in subsidies on fossil fuels or forest clearance should be used on environmentally beneficial projects, only that there should be a change of emphasis in this direction within the reduced public expenditure budget. The concern for reducing the use of fossil fuels is, in any case, contradicted by the advocacy of growth which, as we have seen, would increase its use.

In the second chapter of *The Environment and the British Aid Programme*, which deals specifically with aid and the environment, the same problem occurs (pp14-159), of overemphasis on population growth which is dealt with first and foremost and at length, and which is presented as a major "natural" cause of environmental destruction. We then have later on, buried away in a paragraph on forestry on page 15, as an after-thought, an acknowledgment that other factors are relevant, such as:

"inequitable land tenure and fiscal and other policies which provide economic incentives to remove forest cover. Commercial logging contributes to deforestation by providing financial incentives for tree felling and by creating access roads which encourage the invasion of forests by cultivators. The international tropical hardwood trade is a further element. Forest products are an important source of export earnings and employment for some developing countries, but it is important that forests are managed in a sustainable way."<sup>235</sup>

Such a presentation in terms of the order, relative space given, as well as emphasis, creates a grossly distorted view of the reality behind environmental destruction. First the impression is created that really this is all an unfortunate natural disaster and then the really important socio-economic commercial causes are mentioned in passing as though they were secondary issues. Even within the constricted space granted to these "other" issues, the facts are glossed over. As Hayter points out in the case of Ghana, which has suffered particularly badly from deforestation:

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<sup>234</sup>*Ibid*, p8.

<sup>235</sup>*Ibid*, p15.



"The ODA's effect on Ghanaian forests has been ambivalent. On the one hand, it has a long term forestry inventory project in the process of being expanded, on the other it was involved (with the World Bank and the IMF) in pushing the Ghanaians to increase the export of timber, and in providing them with the means of doing so. The money spent on the latter has exceeded the money spent on the former by nearly nine to one."<sup>236</sup>

The record of British afforestation aid projects has been strongly criticised by ecologists for using fast-growing exotic trees such as eucalyptus which are in effect cash crops, with little use in terms of fuelwood or fodder for local use by poor peasants and which are useful only as sources of commercial wood pulp for the paper and wood-chip industry. This species is also unsuitable for inter-cropping with other staples which local people have traditionally planted in forests. The commitment on the part of the ODA to "social forestry" designed to meet the needs of local communities dependent on the forests for its products has, it is alleged, taken the form of cash cropping along traditional commercial lines. Thus in the November 1989 edition of *The Spur*, the newspaper of the World Development Movement, an aid pressure group supported by the NGOs and the churches, the following is reported:

"The ODA has come under fire in recent years for putting the demands of industry before the needs of the poor. Voluntary agencies have reserved their fiercest criticisms for a forestry project launched in the southern state of Karnataka... The urgent need to plant trees in India is undisputed. The country has lost 60 per cent of its forest cover in the past forty years. But instead of encouraging 'social forestry' – involving poor rural communities in growing a variety of trees to provide firewood, fruit and animal feed and some raw materials for industry – the ODA has concentrated in Karnataka on cash crops of a single species – eucalyptus. Eucalyptus suits the paper and rayon industry because it grows fast and provides good timber for pulping. But the leaves of the eucalyptus tree cannot be fed to livestock, and its wood is useless for cooking because it does not burn well. Its roots soak up large amounts of water, which means that it can lower the water table in dry areas."<sup>237</sup>

The article went on to point out that such plantations are often grown on communal lands where villagers are used to grazing their livestock and collecting wood. Ditches and fences are erected to keep the people out once the eucalyptus has been planted.

By way of reply, the ODA had this to say in a forestry supplement of its newspaper, *British Overseas Development*:

"Although eucalypts have been grown in this part of India for 200 years, and are favoured by many farmers as well as foresters for their fast growth and drought hardiness, they have been accused of depleting soil moisture and nutrient supplies. The ODA is assisting the State Government with a new research programme to determine the comparative effects of such fast growing trees on soil, water and

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<sup>236</sup>Hayter. *Exploited Earth*, *op cit*, p17.

<sup>237</sup>*The Spur* (paper of the World Development Movement), November 1989, p5.

nutrient supplies, and on neighbouring farm crops... Early results... indicate that eucalypts exert close control over water loss when it is in short supply. This means that in dry periods when the water table in the soil is low their water demand is unlikely to exceed that of the local tree species."<sup>238</sup>

The World Bank (which co-sponsors the Karnataka project), however, conceded in letter to the International Institute for Environment and Development that, "we do make a conscious decision to avoid block planting of eucalyptus in arid or semi-arid situations where indisputably the species does have a negative impact on total water yield."<sup>239</sup>

Despite the stated aims of social forestry, the Indian Commission of Agriculture has openly stated that industrial sources of wood pulp should be met from social forestry in order to meet export targets.<sup>240</sup>

A report by the Comptroller and Auditor General noted that within the Karnataka project agricultural land had been converted to commercial forestry:

"It was also intended that the land used for forestry would be of minimal agricultural potential. However, a 1986 Indian Audit report on the project as a whole, quoting a study conducted by the Directorate of Economics and Statistics, noted that in ten selected villages, in two districts, there had been large-scale diversion from agricultural land to commercial forestry."<sup>241</sup>

The project involved the free distribution of eucalyptus seedlings by the Indian Forest Department. Larger farmers would appear to have benefited disproportionately compared to small farmers because they were best able to pick up seedlings, information and credit and were better able to wait seven years for the trees to grow. <sup>242</sup>

An ODA Evaluation report concedes that:

"In the first year of the project, ODA was in effect subsidising landlords in the planting of large areas of land, some of which had been used for millet. This activity does not fulfil the objectives of social forestry, which should involve everyone, and should particularly benefit the poor. But during the life of the project the proportion of small farmers taking up eucalyptus planting as an

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<sup>238</sup>*British Overseas Development. Forestry Supplement.* 1988, piv.

<sup>239</sup>Letter to International Institute for Environment and Development (quoted in Percy, S and Hall, M. *British Aid to India: What Price?* London, 1989, p22).

<sup>240</sup>Percy and Hall. *Op cit*, p20.

<sup>241</sup>National Audit Office. *Bilateral Aid To India. Report of the Comptroller and Auditor General.* 1990, p22.

<sup>242</sup>Mosse, C D F and Kabbur, A N. *Report on Monitoring Mission for ODA/ World Bank Karnataka Social Forestry Project.* Oxfam/ FEVORD-K. March 1989, pp3 and 10; and Arnold, J E M et al. *ODA Evaluation of the Social Forestry Project Karnataka, India.* July 1989, piv and p13, which estimates that 20 per cent of the beneficiaries were larger farmers and that this figure was rising. Unpublished ODA internal documents.

integral part of their farming system and as a valuable means of generating cash increased greatly."<sup>243</sup>

It is now generally accepted that it was naive to assume that there was a need for fuelwood on the part of farmers – they got it from crop residues and snippings from their farms. The rich farmers simply got hold of the seedlings distributed by the project and sold the trees as a cash crop to the pulp mills or as poles. Small farmers didn't have sufficient land anyway to plant the trees. They, along with the landless, needed small numbers of a variety of fruit and backyard trees for their own use rather than large numbers of a single species such as eucalyptus. The project was very slow to recognise this, partly because it was not what traditional foresters were used to.<sup>244</sup>

Small farmers need a yearly income in order to survive. Eucalyptus hit the landless farm labourers hard because it is nowhere near as labour intensive as the traditional food crops production which it had displaced.<sup>245</sup>

This is questioned by some observers. Rural employment projects which pay quite high year-round wages are said to have attracted landless labourers away from small farmers. Rich farmers have been less affected as they can pay comparable rates of pay. Small farmers have been unable to compete and the labour market is said to have been undercut in this way. Tree planting, it is said, has been a response by these farmers to shortages of labour as it is less labour intensive. Tree planting is thus seen as the effect of labour shortages rather than a cause of rural unemployment.<sup>246</sup>

The Mosse and Kabbur independent NGO monitoring group which visited the project argued that "reduced labour costs is only one part of this and in all areas visited reported wage rates are still comparatively low". Hayter also points out that middle farmers always complain that wages are too high.<sup>247</sup>

Tree planting has been linked to a displacement of cheap food crops such as ragi, a variety of millet. Teresa Hayter, for example, cites a study by the Directorate of Economics and Statistics which discovered that 63.3 per cent of agricultural land traditionally used for growing ragi, pulses and oilseeds in Kolar district, the state's largest ragi-growing district, had been covered with eucalyptus single stand plantations, and also 49.6 per cent in the second largest ragi-producing district, Bangalore. Mosse and Kabbur also observed this phenomenon when they visited the project.<sup>248</sup>

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<sup>243</sup>McGrath, P. *ODA Evaluation Department. Karnataka Social Forestry Project, Poverty impact of the Project, Women in the Project*. March 1988. p29. Unpublished ODA internal document.

<sup>244</sup>Interview with Gillian Shepherd (member of ODA Evaluation Team for Karnataka Social Forestry Project). 29 May 1991.

<sup>245</sup>Mosse and Kabbur. *Op cit*, pp3 and 10.

<sup>246</sup>Arnold et al. *Op cit*, p43. Also Shepherd, G. "Social Forestry and the Poor in Karnataka: Prospects and Problems". *Appropriate Technology*, Vol 15, No 1, June 1988, p17-18.

<sup>247</sup>Mosse and Kabbur. *Exploited Earth. Op cit*, p10; Hayter. *Op cit*, p141.

<sup>248</sup>Hayter. *Op cit*, p141; Mosse and Kabbur. *Op cit*, p10.

Food displacement is disputed by some observers, although they concede that this may happen in some localised areas. A switch to irrigation by many farmers in the recent period is said to have compensated for any such displacement.<sup>249</sup>

But as Hayter again points out:

"... it seems probable that a reduction in the supply of the lower grade, non-irrigated millet has raised its prices, causing problems for the poor in particular, although the evidence is disputed."<sup>250</sup>

This view is also shared by Mosse and Kabbur:

"Reduced availability and increased price of coarse (and normally cheaper) food grains would affect the poorest section of the population most."<sup>251</sup>

That is to say that the displacement of cheaper staple food grains, normally grown on rainfed marginal land, by eucalyptus does not help the poorest.

The ODA evaluation report mentioned above says:

"... tree growing has been becoming a profitable and less risk-prone use of some of the areas which have become marginal for ragi production. The shift to trees seems to be mainly on such sites; little of it is occurring on higher productivity or irrigated lands. (...) Efforts to curb the growing of eucalyptus, or other tree crops, are therefore unlikely to increase output of ragi. For that to happen, costs and returns associated with its production would have to alter to the point at which it again became profitable."<sup>252</sup>

Similarly, Shepherd argues that:

"Only those who are determined that the poor can only benefit from subsistence goods and not from cash would call the farm forestry programme a failure."

She also goes on to argue however in favour of an interventionist role for the government in fixing minimum prices for eucalyptus.<sup>253</sup>

The view expressed in the Arnold et al report, that only marginal land is being planted with eucalyptus, was not shared by the Mosse-Kabbur NGO Monitoring Mission Report:

"Farm forestry is not restricted to marginal and unproductive land. Even irrigated land growing cash crops such as sugarcane has been planted with commercial tree species by larger farmers."<sup>254</sup>

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<sup>249</sup>Shepherd. *Op cit*, p17; Arnold et al. *Op cit*, p42, which claims that only 1 per cent of former food-crop land has been displaced by eucalyptus in Tumkur district.

<sup>250</sup>Hayter. *Exploited Earth*. *Op cit*, p142.

<sup>251</sup>Mosse and Kabbur. *Op cit*, p10.

<sup>252</sup>Arnold et al. *Op cit*, p43.

<sup>253</sup>Shepherd. *Op cit*, p19.

The view expressed in the Arnold et al report above (and also Mellor, see below) seems to miss the point made by Chambers, Ghildyal and Farrington et al (see below), who point to the need to give more and not less agricultural research attention to the food needs of rainfed areas. The idea that the profitability or otherwise of a given activity must be allowed to dictate priorities is challenged by this group of researchers. They doubt whether wealth generated through concentration of attention in well-endowed productive areas will "spill over" into poorer less well-endowed areas. They also question the ability of the well-endowed areas to absorb labour sufficiently to compensate for unemployment in the less well-endowed areas as a result of lack of agricultural research attention. They point to the work of Sen, who suggests that food shortages in poorer areas is not associated with lack of national food availability but with lack of food-growing and/or food-purchasing ability.<sup>255</sup>

We will see below in the case of another ODA project, the Indian Rainfed Farming Project, that the views of Chambers and Ghildyal and Farrington et al. have been adopted so as to offer a number of technological options resulting from agricultural research which enable farmers to improve marginal land for food crops. This positive attitude towards developing the food-growing potential of currently marginal land is in stark contrast to that of Arnold et al, who speak negatively and passively of the:

"declining profitability of cultivation of coarse grains such as ragi on marginal rainfed lands. (...) A reversal of the decline in ragi production will come about only if its profitability improves; it will not be achieved by hindering or discouraging the growing of eucalyptus."<sup>256</sup>

This attitude is reflected also in the lack of agricultural research in rainfed areas. The whole point of the "farmer first" approach is surely to put in the necessary agricultural research and extension necessary to make them less "marginal" for staple food-growing and not simply to condemn them to producing non-staple, non-food cash crops when the role of aid is first and foremost to help people meet their basic survival needs.

In some cases trees have been planted on poorer land which was left fallow. It is pointed out, however, that the land may have been used for grazing. It is customary in parts of India to allow anyone to graze animals in the dry season even on grazing land owned by the rich farmers. Tree planting has thus resulted in restriction of this right.<sup>257</sup>

As we have already seen, even outside of the farms, the commons are being fenced off to grow eucalyptus and control has shifted to the Forestry Department in

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<sup>254</sup>Mosse and Kabbur. *Op cit*, p10.

<sup>255</sup>Farrington, J. "Farmer Participatory Research". *Experimental Agriculture*, Vol 24, Part 3, 1988, pp269-279. Chambers, R and Ghildyal, B. "Agricultural Research for Resource-Poor Farmers: The Farmer First and Last Model. *Agricultural Administration*, Vol 20, pp1-30. Mellor, J W. *The New Global Context for Agricultural Research: Implications for Policy. International Food Policy Research Institute Report*. 1986, pp7-14. Sen. *Poverty and Famine: An Essay in Entitlement and Deprivation*. Oxford, 1981.

<sup>256</sup>Arnold et al. *Op cit*, piv.

<sup>257</sup>Interview with Gillian Shepherd. 29 May 1991.

the name of "social forestry". Village woodlots were the traditional foresters response to aid agency requests for a village level forestry programme. The plantation mentality resulted in the solution of a small plantation of homogeneous species. At the insistence of the Indian Government, common land under trees was signed over to the Forest Department for the duration of the forestry project. In the meantime, in 1988 a law was passed saying that land under trees must not revert to other use as a way of restricting deforestation. The result was that the common land was lost as a grazing resource by the landless and village poor. The trees have generally not been used as fuelwood or fodder resource for the village poor as was intended. The village committees or Panchayets as they are known have instead sold the wood as a cash crop like the rich farmers. The cash has often been used to acquire a village resource such as a health centre or for electrification. A resource for the very poor has thus been converted into a bonus for the community as a whole with the rich benefiting as well as the poor.

Village woodlots are now seen as something of a disaster because there are technical and management problems with growing a mixture of trees preferred by the landless. Villagers find it difficult to cooperate for a period of ten years in terms of who has what share and in managing and protecting the woodlots. The incentives are insufficient to motivate people to put in the long-term work needed. It is difficult to stop people taking timber in the middle of the night. An alternative has been to give a few trees to every landless family to grow in their own domestic compound where there are no problems about who owns what. This seems to be an increasingly popular method of planting considerable numbers of trees and represents a final break with the methods of traditional forestry plantation methods.<sup>258</sup>

The ODA accept that mistakes were made and say they have attempted to learn lessons from their mistakes. Chief natural resources adviser Andrew Bennett had this to say.

"Can I say one thing just to start off with in defence – development is not a blueprint activity, it's a process and you've got to try things and you've got to make mistakes. And in Karnataka there was an overemphasis on the planting of eucalypts. Now that has evolved and in any development process you've got to build in the sensitivities... The other thing there was a perception initially that social forestry and community forestry was more about producing firewood or selling a cash crop to a paper mill. And people didn't understand the other social demands which people were relying upon their forests to meet, like grazing, like other materials, like harvesting foods that grew and lived in these forests. And, you know, we're the first to admit that we don't always get it right the first time. What I do wish is that people would actually move with the times and actually see how that project and programme is evolving. And it has moved quite considerably, and in fact eucalypts are not being done to the same extent. And we have done an awful lot of work to look at the effect it is having – pulling down the water table.

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<sup>258</sup>Interview with Gillian Shepherd. 29 May 1991.

And I think what I'd like you to go away with is the impression that we don't stick our head in the sand."<sup>259</sup>

In fact, the Karnataka Social Forestry Project did not evolve positively but ground to a halt and is no longer being funded. What he was referring to was the developments that have taken place within the ODA since then, partly as response to the bad press they got over the Social Forestry Project in Karnataka. There is no doubt that because of the urgency of the global warming question, forestry has been a key priority – ensuring that the North maintains a viable sink in the South for its own Northern carbon emissions which are being allowed to continue unrestrained. The ODA has had to come up with some ideas for pursuing forestry projects more effectively.

As Mary Hubley who is based at the Overseas Development Institute and works for the ODA as consultant, points out:

"So that project [Karnataka Social Forestry Project] was a bit of a disaster in that sense, but they learned from it, which I suppose is a positive thing. And now the next project that's coming up in the Western Ghats will probably be slightly more sensitive and less dogmatic in its approach, and they are starting with training and they are looking at what sort of people they need at the interface between the village and the Forest Department. If it's NGOs, what type of NGO do you bring in? If it's field level foresters, what sort of skills do they need and how do you actually train them? If you're going to have villagers involved in management of forests what sort of joint management are you looking at, how do you actually do it? So they have learned but again it's a question of getting the right sort of people in to do the appropriate training, to continue to catalyse change within the Forest Department, to continue to bring Forest Department, NGOs and local people together. If you don't get those key people in the projects can't work. You just get a complete collapse. Do you bring external expatriate people, do you bring external Indian people from outside Karnataka? What do you do?"<sup>260</sup>

Mary Hubley argues that there has been a concerted effort on the part of people working within the ODA: younger, more enlightened elements as well as outside consultants like herself and others at the ODI who have been working to change the approach of the ODA. She criticises the environmental lobby for carping on the outside and insists that it is necessary to provide successful models.

Mary Hubley's approach is very much that of a "reformist" in relation to the ODA – things can be changed within the institution, in her view:

"It's an interesting time to be working with the ODA because they are actually open to – if you can come up with a sufficiently strong project framework that they think will work and you can actually insist on certain types of people being involved in the evolution of the project, and if you insist on this sort of process-type project

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<sup>259</sup>Interview with Andrew Bennett, Chief Natural Resources Adviser, ODA. 6 December 1990.

<sup>260</sup>Interview with Mary Hubley, ODA consultant. 4 July 1991.

where it is very flexible and there are no real targets set down, it's evaluated every year and the evaluation at the end of the year sets the scene for the next year, so that each year you have a huge learning process going on and the monitoring of the project is very much the sort of process monitoring where the people at the field level and the farmers themselves are actually monitoring what they do, then you get a much more successful type of focussed project. This is what the ODA is pushing for at the moment and people within ODA are quite happy to see it happen... So I think what the NGOs said was probably fair between the years 1984 and '88. But I think that since the years 1988/89 things have really changed within ODA, and a lot of it is because of these very positive experiences they've had in Nepal with this participatory forestry that's going on there because I suppose that's the only way to be successful in the future."<sup>261</sup>

The problems with the Karnataka Social Forestry Project led, as we have seen, to a new project in the same state: the Western Ghats project which is a forest management project rather than a social forestry project. Attention has turned away from growing woodlots on the village commons to managing the existing reserve forests more sustainably. The method of implementing the project is different from the social forestry project. The latter was a "blueprint" approach in which the whole project was implemented all at once according to an initially conceived "blueprint" which was difficult to change once it was up and running. The Western Ghats project was conceived as a "process planning" project in which a start is made in a pilot area where a sort of trial is undertaken. Lessons learnt in the pilot area are then incorporated into the next phase of the project and progress is similarly analysed periodically in subsequent stages of the project cycle. The project was begun in 1988 and is still in a sort of gestation period at the time of writing.

Participation by local people and local Indian NGOs is explicitly built in to the project. One reason for the slow start is that the team which is planning the project has had a variety of views about the relationship between conservation and the rights of forest dwellers. As one observer who participated in some of the discussions points out:

"The teams who did the work out there had a diversity of views within their number about what was the right way of going about it. They had an ecologist who was a very pro-butterflies and anti-people ecologist, you know, a bit World Wildlife Fundy: lovely pandas horrible people kind of person. He was dreaming up actually very anti-people schemes for protecting the bio-diversity of this area. His wishes and the opposition of the other people to his wishes ground the thing to a complete and total halt – they finally went off into a retreat, they literally upped sticks and went off to live together for a few days to discuss the issues. The relevant India desk officers from ODA went, the environment people went, the forestry people went and everyone just kind of hammered out the issues. they

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<sup>261</sup>Interview with Mary Hubley, ODA consultant. 4 July 1991.



invited representatives from the NGOs on one of the days as well to get feed back from Oxfam and WWF."<sup>262</sup>

The project area is divided up into five zones. Zone 1 is the remote interior of the forest which is to be an ecological park under the sole control of the Forest Department. Zone 2 is an adjacent area set aside for commercial purpose linked to its sustainable management and regeneration. Zone 3 is devoted to commercial purposes as well as local needs. Zone 4 will be devoted to just local needs as will zone 5 outside the reserve forest. The latter three zones which are based on the fringes of the forest and outside the forest will be managed jointly by the local people and the Forest Department. Local NGOs will also be involved. The objective is to give the local people an incentive in protecting and regenerating the forest. Some idea of the priorities can be gained from the fact that 59 per cent of the project funds will be spent on the commercial ventures while only 29 per cent will be spent on "local needs" and 75 per cent of project funds will be swallowed up by Zones 1 and 2 (the ecological park and the commercial exploitation) alone.<sup>263</sup>

The background to this approach is that the Forest Department had historically developed from colonial times when the British took control of the forests as a source of revenue. Tribal people's access to the reserve forests was restricted: they could not cut down timber, but they were allowed customary rights to minor forests produce such as roots, fruits, cane etc. The Forests Department has always been seen as a kind of police by local peoples. The official view of the Forests Department likewise is that deforestation is caused primarily by people.

However, as Steve Percy, an independent researcher who has been sent several times out to visit Indian aid projects by the development lobby organisation World Development Movement, has pointed out:

"The Forests Department have subsidised forest-based industries to a huge extent. So big companies with a lot of power might get a ton of bamboo for R100 whereas in the market place people will have to pay R10,000. So they've subsidised industry and a lot of the resources have been squandered in such a way. The other thing is commercial logging, chopping down forests for development projects – that's had a much bigger impact on tree cover than anything else. But the Forest department blame the people. There obviously is a kind of pressure from people, from urban consumers, from people who live in the forest to some extent., but they are not the sole reason why there is such a rapid deforestation in India."<sup>264</sup>

The assumption that there are no tribals in the remote forest interior of Zone 1 of the Western Ghats project is challenged by Percy. He says that the Indian NGOs he spoke with claim that even in the remote interior there are tribal settlements to be found. The danger is that the these tribals will be moved out of the forest area in the interests of the conservation of the area. The Forest Department says that no one will be moved unless they wish to be moved. But as Percy comments:

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<sup>262</sup>Interview with Gillian Shepherd. 29 May 1991.

<sup>263</sup>Percy, S. *British Aid to India Turning Green? (op cit)*, pp8-14.

<sup>264</sup>Interview with Steve Percy, freelance researcher who has visited ODA forestry projects in India. 6 April 1991.

"Resettlement is proving a huge problem in India – it causes problems with the law, it causes a break in the lifestyle, it's a break in culture, it breaks up the community. The compensation measures don't really cover for what they lose. It's just a huge traumatic experience and most people are not even economically compensated for what they've lost. Resettlement is a fundamental issue with this project. The ODA have said that they are against resettlement, but haven't come out against voluntary resettlement."<sup>265</sup>

Participation by local people is limited to the edges of the forests. The zones allocated to commercial exploitation are Zone 2 which will be purely commercial and Zone 3 which will be partly commercial and partly meeting local needs. Percy is not opposed to commercial activity as long as it is linked to the regeneration and good management of the forest and the tribal people are not moved out.

Mary Hubley sheds some light on the issues here. She points out that villagers in the state of Himachal Pradesh in the Himalayas villagers are often only interested in managing forests near their villages. They are not interested in more remote forests. There you need external management to stop forests dying through neglect. The Forests Department is the only agency which can achieve this in her view. The absence, however, of any recognition of the existence of, let alone consultation with, tribals present in the remote interior in Zone 1 indicates the limitations of the participatory approach being adopted.

She felt that in the Western Ghats project it was a mistake to have a rigid formal zonation. She argues that it is necessary to have a flexible, informal zonation based around needs and what is possible working with local people. She too regards the Forest Department as part of the problem. They are very hierarchical, not used to taking initiatives, they are used to being told exactly what to do, they are not used to identifying or organising forest users so that they can manage the forests more effectively. The problem for the ODA is to get the right sort of field personnel who are capable of mediating between the Forest Department, the local people and local NGOs both of whom are hostile to the Forests Department. The wrong sort of personnel can ruin a project in her view.

Steve Percy puts the issues another way. The North wants a carbon sink in the South to absorb its carbon emissions. It preaches conservation of forests in the South while doing next to nothing to control its own carbon emissions so in this sense there is a self-interested motivation to its forests conservation projects such as in the case of the Western Ghats. This is demonstrated, as Percy points out by the fact that the 1990 White Paper on the environment which mentioned "the part that forestry can play in keeping the levels of CO<sub>2</sub> in the atmosphere down is one of the reasons for Britain's contribution to conserve and regenerate the tropical rain forests." It is also demonstrated by the fact the project proposal actually quantifies the benefits the project will create in terms of CO<sub>2</sub> absorption.

"The present state of knowledge in the environmental sciences does not permit a precise assessment of the effects of the forest on the environment, yet the effects particularly in terms of climate and hydrology are likely to be profound on both the global and local scale.

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<sup>265</sup>Interview with Steve Percy. 6 April 1991.

"In the other zones, where previously non-forested are afforested there will be a lock-up of carbon in the biomass as the forest grows.

"Assuming... over the first twenty years the annual quantity of CO<sub>2</sub> absorbed by growing trees is 4125 kg per ha, which if valued at the Swedforest estimate of Rs700 per kg, gives Rs30,000 per ha planted."<sup>266</sup>

This self-interested policy has been dubbed "environmental colonialism" by Indian NGOs. The priority thus appears to be given to conservation; the welfare of the people who live in the forests would seem to be secondary to this: in fact, they are seen as the most important cause of deforestation. Andrew Bennett of the ODA, on the other hand, describes the evolution of the project in the following terms:

"The Western Ghats project started off as a forest conservation programme and has finished up with: how do we provide the alternative wherewithal for the individual people such that they no longer need to remove forest cover and they can sustain a reasonable level of population and a reasonable standard of living in those areas. And I think it is one of the ultimate development challenges because people have tended historically to remove forest and replace it with annual land-use practices. And it's certainly taxing everybody. In the old days you could put a fence around and say 'don't go inside'. That's not sustainable any more. In a democratic society you can't do it."<sup>267</sup>

The problem with this approach is that it over-emphasises the role of people in forest destruction and fails to mention the role of commercial destruction of forests subsidised by the Forests department to this day. It also ignores the fact that tribals who are the people at risk here have traditionally respected the forests upon which they are dependent.

The ODA, like the Indian Forests Department, regard people as a primary cause of deforestation:

"One of the prime causes of deforestation in most countries seems to have been population pressure, people needing the land to do something else with it other than to leave it in trees and the perception that they can more readily meet their day to day needs on an annual cropping cycle than by cropping things from the forests."<sup>268</sup>

The general emphasis in ODA publications, as we have already mentioned, is on population as the main cause.

The Western Ghats project began as simply a forest conservation project. People were seen as a problem in the way of conservation because they were regarded as the primary cause. It was only because there was, as Gillian Shepherd put it, "a diversity of views" within the project planning team that consideration was

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<sup>266</sup>*Western Ghats Project Document*, p4 (cited in Percy, S. *Op cit*, p20).

<sup>267</sup>Interview with Andrew Bennett, Chief Natural Resources Adviser, ODA. 4 July 1991.

<sup>268</sup>Interview with Andrew Bennett. 4 July 1991.

eventually given to the social implications of the project. Tribal peoples have, as the *Ecologist* magazine has always argued, historically been the greatest respecters of the forests upon which they live. They live off the ecological "interest" rather than the ecological "capital". It is clear that their interests can all too easily be overlooked if a project is focussing too much on conservation of forests issues at the expense of social issues, and there is a corresponding danger that they may be sacrificed on the Northern altar of preserving the forests as a sink for its unrestrained carbon emissions.

The ODA's shift to participation is welcomed by Percy. At the same time the self-interested motive behind this shift should also be stressed. The shift has resulted from the failure of the police role of the Forests Department. In order to preserve and increase their carbon sink, the Northern aid agencies have had to think again. Corruption within the Forest Department meant that their role was becoming decreasingly effective in stopping forest clearance. A policy of co-option of local people through participation has been adopted. However, as we have noted, the Forests Department is seen as the police and local people mistrust it. The Indian NGOs have very good relations with people at a local level. The aid agencies not only need the "right sort of people" to bring people together; they also need local NGOs to use their good offices with local people to effect joint management of projects with the Forests Department. Some NGOs are wary of being co-opted into this role, however. It would thus appear that the ODA is adopting a policy towards the Indian NGOs similar to that adopted to British NGOs.

"A lot of NGOs feel that they've got to work within a government framework so that they are facilitating these developments. Other NGOs say 'we don't want to be co-opted, we don't want to be part of this' – so there are different approaches to it generally – but generally speaking NGOs in Karnataka feel it's a good thing, but they are still cautious and they are still keeping an eye on it."<sup>269</sup>

The same issues faced by the British NGOs will inevitably crop up. The Indian NGOs are well placed to critically monitor the Forests Department and the ODA. Will dependence on ODA funding cause them to mute their criticisms of them when funding is under threat? It is also not clear how extensive will be the consultations or whether the joint management will be on the basis of equality for all participants, or whether the Forest Department, which is in overall charge of the project, will be the decisive voice.

Mary Hubley argues that a lot of investment has to be made in the Forest Department: training them how to relate to local people in a sensitive way which is different to their historical police role. The ODA say much the same. There are however neo-colonialist overtones to this approach in the sense of a foreign government aid agency training the personnel of a former colonial nation's local government staff. It is also highly questionable whether an institution like the Forestry Department, which subsidises the commercial destruction of the forests, could ever be anything else than the revenue-raising, asset-policing agency it has always been. Such a view also fails to see that the attempt to co-opt local people and NGOs is part of a self-interested policy initiated by the North.

In the same state of Karnataka there is another project in which the ODA is paying 70 per cent of the costs, the Mysore Paper Mill project. The state government

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<sup>269</sup>Interview with Steve Percy. 6 April 1991.

illegally provided 75,000 acres of common land, some of which was already forested, for the development of eucalyptus plantations to provide wood pulp for the mill. Several families were evicted from the land in the process of developing the plantation. When the villagers found out that it was illegal to transfer these common lands, protests developed which led to the halting of the development in some areas. Elsewhere, clashes with the authorities occurred and many were injured. The project is still being implemented, however.

A National Audit Office report was critical of the project:

"In the projects they examined the National Audit Office noted that the ultimate beneficiaries were often not confined to the poorest groups. This was particularly true in Mysore which from the outset was primarily concerned with commercial production, albeit with a social forestry content. However, the local inhabitants, mostly, but not all, poor were expected to benefit from additional employment, fuel and fodder. The project was technically successful but the Administration have declined to fund a second phase because it did not meet their now more closely defined poverty alleviation criterion."<sup>270</sup>

Another problem with rural aid projects is that they tend to promote intensive agricultural methods which became fashionable with the advent of the Green Revolution. The Brundtland Report still supports intensive methods:

"If farmers in these countries are forced to continue with extensive agriculture, which is inherently unstable and leads to constant movement, then farming will tend to spread through remaining wildlife environments. But if they are helped and encouraged to practice more intensive agriculture, they could make productive use of relatively limited areas, with less impact on wildlands. They will need help: training, marketing support, and fertilisers, pesticides, and tools they can afford."<sup>271</sup>

One particular ODA project which was aimed at promoting such intensive methods has been studied by Percy and Hall. The Indo-British Fertiliser Education Project, launched in 1982 as a large ODA "flagship" project, supposedly strongly "poverty-focussed", it aims to promote Green Revolution high-tech farming methods, including high-yielding seeds, chemical fertilisers and pesticides. In some ways this strategy of increasing yields has been seen as a diversion from redistributive measures, the hope being that greater production would alleviate hunger through some trickle-down mechanism. In practice, the results of the Green Revolution have been appropriated by better-off farmers. The landless have not benefited because yields cannot be increased if there is no land in the first place. This reality has led to attempts, as in this project, to focus on small farmers. Commercial considerations do enter into this project, however, since the state-owned Hindustan Fertiliser Corporation which conceived and administers this project stands to increase its sales. Percy and Hall found that, whilst some small farmers with good, irrigated land, which is thus not dependent on the yearly monsoon, benefited from the project, less fortunate small farmers were forced to abandon the intensive method. Farmers with no irrigation and poor quality land were dependent on the

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<sup>270</sup>National Audit Office. *Op cit*, p21-22.

<sup>271</sup>WCED. *Op cit*, p153.

monsoon for water and could only harvest their crop once a year when prices were low. They were not creditworthy enough to get a loan from the bank, unlike farmers in the former case. Thus the very poorest farmers had little capital and room for manoeuvre for making the expenditures on the inputs necessary for intensive methods. Landless people, as we have seen, are not assisted by this project.

The effects of this intensive method of agriculture have been decreasing soil fertility after the initial applications of chemical fertiliser, the destruction of local seed varieties, an increasingly narrow genetic base which in turn has led to increasing vulnerability to pests. The pesticides themselves have created an increasing immunity to their effects in the pests themselves. In 1988, according to Percy and Hall, high yielding varieties of rice were killed off in Bihar because of a scorching disease caused, it is thought, by the Brown Planthopper pest. The necessary investment in fertiliser plant and other infrastructure to underpin these methods is colossal and creates few jobs, and ties up capital that could be spent on more urgent genuinely poverty-focussed projects. Such plant is increasingly being designed and supplied by foreign capital, which increases India's dependency on the import of expensive components and spare parts.<sup>272</sup>

The National Audit Office report once again was critical of this project, as well as the Karnataka and Mysore projects:

"The National Audit Office found that the Administration (ODA) had little opportunity to influence the basic concept of any of the projects. but their advisers were able to introduce qualitative improvements to some components – for example, in Karnataka they had strengthened the Social Forestry element. The National Audit Office noted that the earlier projects paid limited attention at this stage to the establishment of monitoring and evaluation requirements. There was little attention to social (Mysore, Karnataka) and environmental (Indo-British Fertiliser I) issues, with limited or no involvement of relevant advisers and no clear policy guidance by which to judge the impact on the poor."<sup>273</sup>

Rather than promote such intensive high-tech methods, it has been argued that emphasis should be placed on improving the many good aspects of traditional agricultural practice: inter-cropping, the planting of legumes to fix nitrogen in the soil, the use of organic fertilisers, the improvement of local plant varieties.<sup>274</sup>

A study of ODA projects conducted by Hayter has revealed that the ODA has actually been engaged, on a small scale, in something along these lines in Bolivia. The collapse of the tin mining industry, and IMF imposed austerity in the public sector in the mid-eighties, led to a substantial migration from the altiplano region to the Amazonian forest areas around Santa Cruz. Coca production in frontier jungle areas by former tin miners has increased. The conditions in which they live are generally appalling, however, and the drugs mafia are dominant in a generally lawless area of Bolivia. The ODA-funded British Tropical Agricultural Mission (BTAM) has been present in this region since 1976, and a second phase began in 1985. Whilst it was originally involved with the development of cash-crop

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<sup>272</sup>Percy and Hall. *Op cit*, pp11-14.

<sup>273</sup>National Audit Office. *Op cit*, p20.

<sup>274</sup>Percy and Hall. *Op cit*, p14.

production, it has more recently been involved in a more poverty-focussed approach. It has built and equipped a research centre, CIAT. An important function of this centre is to enable colonising farmers to farm their newly-cleared jungle plots in such a way as to avoid unsustainable farming practices which often lead them to abandon their plots after a few years, forcing them to move on to a new jungle site. The growth of weeds after the jungle has been burnt down makes the land unplatable and has been a major problem in the colonising frontier region. As an alternative to one solution to this problem, that of mechanisation using tractors which leads to soil destruction, loss of fertility, compacting of the earth and hillside erosion, BTAM researchers came up with a more sensitive approach. It involved intercropping staple annual crops with labour-saving perennial cash crops to generate income. Small livestock, such as chickens and pigs which could be fed on household waste, and legumes to fertilise and regenerate the soil organically, avoided loss of soil quality. The project was aimed at the new influx of migrant farmers from the altiplano. This approach avoided dependency on external inputs, created a diversified system of production and minimised damage to the environment. The researchers were looking also at the possibilities of growing new trees to further retard the growth of weeds and were also trying to create a type of pasture that could enable animals to be grazed without the elimination of trees, thus creating an environment similar to the virgin forest.<sup>275</sup>

As Hayter concludes, whether such a system can flourish in the context of continuing large scale migration, in the middle of a cocaine mafia-dominated region and where land is being rapidly concentrated remains to be seen. The approach does seem to be thousand times more poverty-focussed than the above Indian projects.

Another example, an ODA aid project which attempted to adopt an alternative technological approach, was the Indian Rainfed Farming Project begun in 1989. This was an agricultural research and extension project which used a "process" approach rather than the traditional "blueprint" approach (the distinction between these two approaches has already been described in this chapter). Great emphasis was placed on the need to encourage farmer participation, and a sensitive approach to the local technological requirements of individual farmers was advocated.

In contrast to many of the earlier Integrated Rural Development Projects (IRDPs) in which technology was transferred in a standard form which did not always take account of local agro-ecological conditions, the Rainfed Farming Project attempted to create a practice which recognises the need to take account of local conditions and allow the farmer to select from a menu of technological options. Rather than rely upon heavy subsidies, as the IRDPs did to effect the transfer of technology, attention was also paid to the economic constraints on poor farmers' ability to buy in expensive inputs mentioned in relation to the Indo-British Fertiliser Education Project. It is anticipated that this will avoid the collapse of projects as a result of the inability of the poor farmer to sustain the cost of inputs after the subsidies are withdrawn at the end of the project. This inbuilt minimal and flexible use of technological inputs was thus intended to allow the project to be sustainable and more easily replicable in a way in which the IRDPs were not (see Chapter on Labour Aid Policy).

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<sup>275</sup>Hayter. *Exploited Earth*. *Op cit*, pp153-162.

Whereas the Indo-British Fertiliser Education Project promoted high-tech methods on irrigated land, the Rainfed Farming Project relates to non-irrigated, rainfed land and restricts inputs to low-cost, largely natural, methods. Sixty per cent of Indians live on land which is rainfed. Farmers are generally poorer than on irrigated land. Little research has gone into this sector of agricultural land. This project set out to remedy this lack of attention. The technological options employed included soil and water conservation using low-cost vegetative bunding (hedges) and cropping and inter-cropping practices which reduce soil erosion and moisture loss. One of its most important technological options, however, is the provision of improved seeds to farmers in such a way as to avoid the narrowing of the genetic base which has tended to happen with traditional methods of plant breeding research and distribution. New types of crop seeds have traditionally been developed in research institutions without reference to farmers. A few of the most high-yield seeds have been distributed, leading to narrowing of the genetic base. Some of these seeds, as we have already noted, have been highly susceptible to pests and diseases. These seeds have sometimes been rejected as being unsuitable to local conditions on the farms or for other practical reasons. The varieties rejected by the plant breeding institutions, on the other hand, have sometimes been taken up unofficially by farmers who found them to be better in practice on their farms. The new varieties have only been of relevance to irrigated farms, they have not been used generally in rainfed areas. The alternative approach is to find, through farmer participation methods, which traditional varieties are still in use in rainfed farming, and to match these as far as possible to improved varieties having the same characteristics. In this way the number of seed varieties is maintained instead of reduced.<sup>276</sup>

Other technological options included second cropping, intercropping to increase production, inter-row cultivation and smother crops to reduce weeds (instead of using environmentally hazardous pesticides) and the use of "barrier" cereal crops to prevent the spread of diseases. The use of trees is advocated as a means of improving soil fertility and creating favourable yield interaction with crops.

Fertilisers were advocated "sparingly". Some doubt must remain about this since the project is administered by the state-owned Hindustan Fertiliser Corporation. As has already been noted above in relation to this corporation's involvement with the Indo-British Fertiliser Education Project, this firm is in business to sell fertiliser, and it does seem unlikely that it will be interested in advocating the use of fertilisers "sparingly" on any consistent basis. There was an obvious conflict of interest here which the project proposal did not appear to recognise. The proposal document did, however, recognise some other problems.

"Indian villagers have become familiar with an approach to rural development based on subsidies and soft loans... it is possible that there will be some adverse reaction to a new project which takes a different approach, making only very limited resources available.... There is likely to be pressure on project management to make available inputs (pesticides, for example) in ways that are unsustainable and uneconomic in the absence of support by the

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<sup>276</sup>ODA. *Rainfed Farming Project Proposal document*, paragraph 5.9. Unpublished internal ODA document. A good account of farmer participation methods is provided by John Farrington "Improved Livelihoods, Genetic Diversity and Farmer Participation: A Strategy for Rice Breeding in Rainfed Areas of India". *Experimental Agriculture*, Vol. 24, Part 3, 1988, pp311-320.



project... Much of the official agricultural establishment believes the answer is the provision of subsidies and grants to enable farmers to adapt technology packages of improved varieties, irrigation and agro- chemicals. This belief is in part based on political pressure to offer immediate benefits to rural voters which the politicians regard as an important part of the political patronage at their disposal... monetary support will enhance the chances of success during the projects lifetime... RFP therefore runs the considerable risk of HFC management being tempted to organise external funding support from state-wide anti-poverty programmes so as to achieve rapid improvements in production. The saving grace is perhaps that HFC staff are not birds of passage, have limited promotion prospects, and are accordingly, interested in job satisfaction rather than progression up the greasy pole.<sup>277</sup>

The Project Proposal did therefore recognise pressure from a variety of sources, even if it was perhaps a little unrealistic about the conflict of interest in relation to the Hindustan Fertiliser Corporation and its staff. It did, however, recognise a further potential problem with this corporation as a result of its staff being in the form of a "highly hierarchical structure with a semi-military approach to assignment of responsibilities". This was thought to be in conflict with the need to involve farmers as active participants and partners.

The project went on to suggest that it would be possible for the Indian government to adopt its approach with its relatively high staff costs and minimal subsidy without any great increase in the budget already used to pay out large unsustainable subsidies under the existing system (para 7.5). Despite the problems mentioned above the project does appear to represent a step forward relative to the Indo-British Fertiliser Education Project in the sense that it addresses itself to the needs of rainfed farmers and seeks to use natural instead of expensive technological inputs.

It does seem unlikely that projects such as the British Tropical Agricultural Mission project and the Rainfed Farming Project would ever form other than a tiny part of the British aid budget simply because they are mainly financed in the form of local costs, and there is little scope for tying them to British exports.

By way of contrast, the Rihand power station project in northern India and the associated Amlhori open-cast coal mine project which was to supply the power station, show some of the environmental and other dangers that can accompany this type of aid project:

"The power station will leave 10,000 tonnes of ash every day. Mixed with water to form slurry, it contains toxic trace elements and potentially carcinogenic compounds. Satyajit Singh, a member of a New Delhi environmental group, Kalpavrikish, said the slurry was already seeping into the reservoir where villagers drew their water. Thermal and industrial pollution had also killed fish on which local livelihoods depended."<sup>278</sup>

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<sup>277</sup>ODA. Rainfed Farming Project Document. (*op cit*), paras 8.7, 13.2 and 18.3.

<sup>278</sup>Percy and Hal. *Op cit*, p7.

The ODA had apparently conducted a study into pollution but this was, according to Percy and Hall, more concerned with the effect of thermal pollution on the operating efficiency of the power station rather than on local people's welfare. There were also problems of air pollution and acid rain. The ODA's reaction was that with competitive tendering and the quest for economic growth, "environmental considerations were low down the agenda".<sup>279</sup>

The Amlohri open cast coal mine, which had received £15m Aid and Trade Provision support, had even worse problems as the Audit Office Report on it specified:

"Administration advisers had not visited the site; social development and environmental advisers were not consulted;... the extent of the appraisal was comparable to those for Aid and Trade projects and fell short of the depth normally accorded to country programme projects... Rigorous requirements were made on reforestation and land reclamation but these were flouted. There were, for example, unauthorised workings of coal deposits by the project authority's staff, which were reported to have led to criminal proceeding by the State Forestry Department. There was also conflicting evidence about the extent of land resettlement and the size of the population affected. There has also been unrest between villagers and mine staff. The environmental management plan, prepared in 1984 to meet Government of India regulations for new mines, was considered inadequate by the Administration's environmental consultants. Their 1987 report identified severe pollution hazards from dust and gaseous emissions, and a lack of data or regular monitoring of air quality, groundwater contamination, minewater discharge and noise levels. The original environmental plan is in force but British High Commission monitoring visits in 1987 and 1988 emphasised continuing environmental problems: considerable devastation of the landscape; spontaneous surface fires; lack of a watering system for the mine and the associated dust problem. It was not clear, however, as to the size of the population affected."<sup>280</sup>

In conclusion, the large amounts of money that are tied up in the latter project in terms of orders for British exporters would often appear to mean that such projects acquire a momentum of their own which environmental advisers have little power to regulate. The projects we have reviewed provide some sobering examples of how wide is the gap between the rhetoric of environmentalism which the Overseas Development Administration has espoused and the often appalling practice which has all too often prevailed, usually because the power of commercial interests has been very strong. As one Indian observer put it in relation to the Rihand Power Station Project:

"An Environmental Impact Assessment (EIA) was never done for Rihand. Once construction has started what's the point of an EIA? The aid comes and steam-rollers through – you can't even suggest

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<sup>279</sup>*Ibid*, p8.

<sup>280</sup>National Audit Office. *Op cit*, pp11-16.

a different site. There's tremendous pressure with so much money involved."<sup>281</sup>

The growth debate has been falsely polarised for and against. The essential point is surely that it is a question of the determinants and type of growth that is important. The skewed values of the consumer society, the existence of excesses of extravagant personal consumption on the part of the world's wealthy elites alongside the poverty of the overwhelming majority, the wasteful consumption of resources by unrestrained market economies: all point to the need to aspire to a more rational use of resources based on growth dictated solely by socially useful production and the elimination of regressive income distribution.

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<sup>281</sup>Percy and Hall. *Op cit*, p8.

## Chapter 7

### British Aid and Gender

Any assessment of the extent to which British aid has been meeting the needs of the poorest communities in the Third World is obliged to examine its impact on women. There are often great differences in consumption levels and access to resources within Third World families between male and female members. The impact of development projects on the welfare of women is crucial in determining the benefits or otherwise to the family as whole. As we will see below, improvements, as a result of "development", for a male head of household have been known to result in a decline for the rest of the family, for example.

While this problem has been acknowledged by the Overseas Development Administration it is clear that this is a huge area in terms of numbers of people involved and the universality of its occurrence. No aid agency can claim to have done anything more than scratch the surface of this development area.

It is convenient, for the purposes of this account, to take as our starting point the initiation, by the UN in 1975, of an international debate on the subject of development and gender in the form of the UN Decade for Women. The inspiration for this initiative came from the pioneering work of Ester Boserup, *Women's Role in Economic Development*, in 1970 which was probably the first definitive analysis of this dimension of development studies. As a result of this debate, a number of governments began to promote development programmes aimed specifically at women. The decade ended with a UN Decade for Women Conference in Nairobi in 1985 at which a set of recommendations called "Forward Looking Strategies" were adopted by all UN member states, which attempted to address the problem of integrating women into the development process.

Britain supported the UN initiative and has promoted a number of projects which were aimed at women. It adopted the recommendations of the Nairobi conference. The recommendations focussed on the continuing lack of political will which existed within the majority of member states to end the exclusion of women from the development process. They also called upon each country to draw up a plan of action with guidelines and appropriate procedures as well as monitoring and evaluation techniques aimed at implementing the Conference recommendations. They further called for improvements in access by women's organisations to credit, extension services and training and for women's development needs to be integrated more centrally into development education programmes. They also called for greater participation by women in technical cooperation assistance, where the percentage of women taking up overseas study had been particularly low, and for a more equitable gender balance at all levels in the administration of aid.<sup>282</sup>

As with the UN targets on aid as a proportion of donor country GNP, verbal acknowledgment of recommendations is an abstraction unless a timetable for implementing them is drawn up. An attempt to pin down the Minister for Overseas Development on this was attempted in the Commons shortly after the Nairobi Conference by the Alliance MPs David Alton and Alan Beith through a series of written questions. These question asked what steps the Minister was taking to

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<sup>282</sup>UN. *Forward Looking Strategies for the Advancement of Women*. United Nations Decade for Women Conference. Nairobi, 1985.

emphasise strategies to assist women to generate income, to strengthen the evaluation of the effect of Britain's aid programme on women, to enhance the role of African women as food producers, to ensure that women are given access to training programmes and to establish special relief programmes. Mr Raison replied:

"We support the objectives contained in paragraph 115 of the United Nations Forward Looking Strategies for the Advancement of Women. Procedures were introduced in the ODA in 1984 to ensure that project work took better account of the role and needs of women... Assessment of how aid projects affect women is already an integral part of our evaluation studies. With our partners in the OECD we are considering how to improve the information in this respect, particularly governing statistics at our disposal... we support the recommendations in paragraph 177... and fully appreciate the importance of African women as food producers. We should be happy to consider requests from African Governments to help in enhancing their role in this respect... We should be happy to consider requests from developing countries, to which paragraph 186... was directed, to help with the activities there specified, including, where appropriate, training in Britain... We fully recognise the problem of refugees and displaced women and children, and have responded generously to special appeals from... international agencies..."<sup>283</sup>

The ODA published in 1986 a booklet, *Women in Development and the British Aid Programme*, setting out its policy on women and development, as well as a later edition in 1989, *Women, Development and the British Aid Programme*.<sup>284</sup>

The first edition came under attack in a report from the pressure group War on Want because it committed the ODA to implement projects aimed at women only where it was considered "relevant", because it rejected the idea of financing some projects entirely for women on the grounds that ODA thought that this would be "tokenism", and because it rejected the idea of setting up a special unit to deal with women's affairs. The ODA 1986 booklet also quoted Minister Timothy Raison saying:

"I am against the notion that we should split the aid programme with different sectors by age, sex, class or creed."<sup>285</sup>

Against this the War on Want Report pointed out:

"But the aid programme is already split, with women and the poorest groups receiving few of the benefits of aid and most of the problems. And while women are the responsibility of all the staff at the ODA, by default they become the responsibility of no-one... few project documents are required to include a statement describing the impact on women."<sup>286</sup>

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<sup>283</sup>Hansard, 2 December 1985, c23-24 (Written Questions).

<sup>284</sup>ODA. *Women in Development and the British Aid Programme*. HMSO, 1986; and ODA. *Women, Development and the British Aid Programme*. HMSO, 1989.

<sup>285</sup>ODA. *Women in Development and the British Aid Programme*. 1986, p5

<sup>286</sup>Mazza, J. *Op cit*, p31.

One of a long series of closely related questions from Gwyneth Dunwoody reflecting the War on Want Report to Minister Chris Patten took up these issues:

"Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will create a special fund to finance projects of specific interest to women giving priority to funding projects established by Third World women's organisations, and if he will make a statement. (2) if he will increase the number of women's advisers to form a fully funded and resourced women's unit designed to initiate policy on women and development and to oversee its implementation.

"Mr Chris Patten: Our policy is to integrate concern for women into all ODA activities. ODA officials are aware of the importance attached to taking account of the impact of our activities on women and our social development advisers provide the experts needed. I believe that a separate women's unit or special fund would tend to 'marginalise' women's interests."<sup>287</sup>

The same report further pinpointed the problem of identifying women's needs in the construction and implementation of aid projects in the appraisal, monitoring and evaluation process which all ODA projects have to undergo. A *Checklist* at the appraisal stage and a *Policy Guidance Note on the Role of Social Advisers* is supposed to ensure that these needs are kept in mind. If the ODA staff formulating a project consider that there is a danger that women's interests may be affected, then they should consult with the social development adviser. Even if this is not done it is assumed that the *Checklist* has been consulted. But, as the War on Want report notes, in contrast to economic, financial and technical issues:

"There is no requirement to include in the project appraisal a statement on the social impact or the impact on women. There is, therefore, no way of assessing if the checklist and the guidelines have been used. The range of guidelines to be consulted within the ODA is massive."<sup>288</sup>

Similarly with the monitoring stage:

"The way monitoring is carried out varies with the Geographical Departments and country desks at ODA HQ and also with the different (overseas) Development Divisions... Development Divisions (however) might not have enough staff to make detailed studies on the social or gender impact of the programme. It seems that project monitoring varies with geographical area, and does not fit the ODA's official blueprint."<sup>289</sup>

And at the evaluation stage:

"The incorporation of women and development in the new (1986) guidelines is a result of new agreements within the OECD. However,

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<sup>287</sup>*Hansard*, 16 July 1987, c599-600.

<sup>288</sup>Mazza. *Op cit*, p21.

<sup>289</sup>*Ibid*, p21-22.

an impact statement on women is not required and from studying some reports, it appears that mention of women depends rather on the attitude of the evaluators."<sup>290</sup>

As the report also pointed out, evaluations which might be deemed embarrassing to Britain or a recipient government are not made public. The ODA claims that these projects account for a third of all projects. As the War on Want report states, this makes an assessment of evaluations and their conclusions in relation to women virtually impossible.

Such a view was echoed also by Oxfam in its *Oxfam White Paper*. This says that the ODA's way of dealing with women's issues

"... might just be a sustainable point of view if there was evidence that the aid programme was seen to be taking the 'gender' issue seriously. Sadly, it is not.

"At the moment responsibility for women's issues is split between the Social Development Advisers. Yet a recent analysis shows that only some 28 per cent by value of projects fell under the scrutiny of the Social Development Advisers. Yet it is clear from first-hand observation by Oxfam and other voluntary agencies that many of the projects falling under the 72 per cent of the remaining projects affect women directly – and sometimes devastatingly... if all projects were to be referred to the Social Development Advisers, the current resources available to them would mean that they would either be completely swamped or, at best, able to give projects no more than a cursory glance."<sup>291</sup>

Once again these issues received an airing in the Commons during the series of written questions from Gwyneth Dunwoody, formulated as follows:

"Mrs Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs whether all documents issued from his Department carry an assessment of the impact of their projects or programmes on women and if he will make a statement.

"Mr Chris Patten: Since last year it has been standard ODA procedure for evaluations to include an assessment of the impact of the aided activity on women where this is relevant. The evaluation reports issued will include these assessments".<sup>292</sup>

The Minister's answer, of course, neatly side-stepped the question, which was whether all documents assess women's interests. The recurrence of the words "where relevant" already used in the ODA booklet on women and development also indicated a continuation of the policy of leaving decisions about women's interests dependent on the subjective interpretations of the assessors of projects rather than making it a mandatory requirement.

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<sup>290</sup>*Ibid*, p22.

<sup>291</sup>Oxfam. *Op cit*, p9.

<sup>292</sup>*Hansard*, 16 July 1987, c599.

The War on Want report did note, however, that the ODA had recently tightened up its procedure for large projects, but as we have noted already "large projects" accounted for only a tiny proportion of the aid programme – 90 per cent of aid projects were less than £1 million at the time the report was written in 1987. There is no reason to suspect that this proportion has changed substantially since then, if allowances are made for the effects of inflation. ODA Social Development Advisers, however, now claim that there have been some positive developments on this question. In response to a question about whether it was mandatory to assess projects in terms of their effects on women, they gave the following reply:

"Well, the Minister's said it in public now and it's in our report. It only became mandatory six months ago. We have to report to the Minister every year on progress on our women and development strategy and then make recommendations about how to do it better. One of the recommendations which the Minister has accepted in that report is that any project more than £250,000 there must be a mandatory women and development statement. The £250,000 cut off was to appease the geographical desks who didn't want to have to fiddle with too many regulations on very mini, mini projects. There are very few projects really as projects which are less than £250,000."<sup>293</sup>

Proposals for projects over £250,000 are now obliged to state whether any disadvantaged sections of the population, including women, will benefit from the project, which has led to more projects being submitted to the Social Development Advisers. However, the role of the Social Development Advisers is still largely confined to commenting on projects initiated elsewhere, rather than initiating projects themselves explicitly to help women. One issue raised in both the War on Want report and the *Oxfam White Paper* on the division of responsibility for women's interests between two social development advisers was raised in the Commons:

"Mrs Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if the present women's adviser post will be reformulated within the aid programme so that it is held by one woman who has no additional responsibilities.

"Mr Chris Patten: Specialist advice on women's issues is provided by the ODA's social development advisers. This ensures that our concerns for women's role in development and measures taken to enhance it are understood in a broader social context; I believe this makes our work more effective."<sup>294</sup>

Another problem which the War on Want report highlighted was the low percentage of women being given training under the technical cooperation programme. This programme allows students from recipient countries to be given training in Britain and allows technical experts from Britain to provide assistance in recipient countries. The report drew attention to figures in an ODA evaluation of the programme that in 1981 only 14 per cent of students coming to Britain under the technical cooperation programme were women.<sup>295</sup>

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<sup>293</sup>Interview with Rosalind Eyben, Senior Social Development Adviser, ODA. 4 July 1991.

<sup>294</sup>*Hansard*, 16 July 1978, c601.

<sup>295</sup>Williams, P R C. *They Came to Train*. ODA, 1985 (quoted in Mazza. *Op cit*, p13).



The ODA argued that the causes of this low figure were under- representation of women in host developing countries, the low number of nominations by recipient governments and the supposed inability of women to accept nominations because of domestic commitments.

The War on Want report, whilst accepting that there was an under- representation of women in developing countries themselves, contested the view that women necessarily felt the absence of their families more than men students and cited the evidence of an MA research thesis by an aid administrator.<sup>296</sup>

The report went on to suggest other factors which could just as easily form a basis for research into this whole question. These were the fact that awards were offered in defined subject areas, such as engineering and science and agriculture, which were perceived to be male preserves and the lower number of awards granted to subjects where women were more likely to study, such as health, nutrition education and welfare, the lack of additional resources lower down the education ladder to enable girls to attain higher educational qualifications and the unwillingness to provide quotas for female trainees.

The question of "male" subjects reflects the priorities of the aid programme as a whole with its emphasis on high-tech capital intensive "hardware" projects and its lower priority in practice, in terms of finance devoted, to poverty-focussed projects.

Once again this aspect of the report received attention in the Commons:

"Mrs Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if his Department finances research on the problems of recruiting and selecting women trainees on British Aid-funded scholarships; and what research has been done by his department on how the proportion of women on the technical cooperation training programme can be increased.

"Mr Chris Patten: We intend to finance research on the constraints to increasing the proportion of women benefiting from ODA-funded training awards. Terms of reference for such a study have been prepared and we are in the process of identifying a suitably qualified researcher.

"Mr Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs what is the number of women, and the percentage they constitute, who obtain places on technical cooperation training courses.

Mr Chris Patten: Women received 980 (16.8 per cent of the total) new training awards in the year ending 31 March 1987."<sup>297</sup>

Another question related to the number of women employed by the ODA itself.

"Mrs Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he had any plans to conduct a study on the

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<sup>296</sup>Wiggans, R. *Educational Aid – Women's Smaller Share*. MA Thesis. University of London Institute of Education, 1985 (quoted in Mazza. *Op cit*, p13).

<sup>297</sup>*Hansard*, 16 July 1987, c599-601.

proportion of women in the Overseas Development Administration; and if he will publish in the Official Report the changes in that proportion over the past five years.

"Mr Chris Patten: The Overseas Development Administration already monitors the proportion of women in its employment, their access to training and relative success in career advancement. The proportion of women employed in the Overseas Development Administration on 1st April of the past five years and on July 1987 is:

Year	Total Staff	Number of Women	%
1982	2,035	771	37.89
1983	1,927	714	37.05
1984	1,753	684	39.02
1885	1,617	641	39.64
1986	1,608	635	39.49
1987	1,548	622	40.18 <sup>298</sup>

The publication of the War on Want report would, as we have seen, appear to have been an important stimulus to activity in the Commons. In addition to the already mentioned long series of related written questions put by Gwyneth Dunwoody to the Minister of Overseas Development Chris Patten, many more questions, some thirteen in total on similar themes, were put over the next few years. The report had obviously generated a good deal of concern.

As we have already seen in the chapter on Aid and the Environment, there is evidence from a report of the Comptroller and Auditor General that Environmental Advisers have not been properly consulted in a number of projects. This was also true for Social Development Advisers. It will be recalled that in the case of the ATP funded Rihand Power station project :

"... the [Overseas Development] Administration gave urgent approval in principle, subject to confirmation of the project's developmental value at appraisal and to the Department of Trade and Industry's acceptance that it should be financed from the Aid and Trade Provision. The Administration did not have a detailed specification for the power station or know of its intended location; and there was no prior assessment of its priority or soundness. However, they expected the project to qualify for aid because of the known shortage of generating capacity in the Indian power system."<sup>299</sup>

The results of such lack of assessment on social developmental grounds were summarised by Percy and Hall in their 1989 report:

"In total 267 villagers, predominantly small and marginal farmers, were driven from their homes. Before the bulldozers moved in, a neat package of 'resettlement and rehabilitation' measures were drawn up by the project authorities. These included money for lost homes and lands; the building of a housing colony; training in new skills; and preferential employment in the plant and ancillary industries.

<sup>298</sup>*Ibid*, c601.

<sup>299</sup>National Audit Office. *Op cit*, p12.

Haraq, a tribal who owned three acres: 'The authorities will not give me a penny for my land. I have no 'patta' (land entitlement deeds)'. He is not alone. When we spoke to him 116 families faced the same problem. Without the deeds the authorities will not pay up."<sup>300</sup>

In addition, the jobs provided in the power station were only 70 in number and all were casual, part-time, unskilled and with no training provided. One might well ask how this particular project bettered the employment or housing prospects of the women who were displaced as no information on, or evaluation of, this dimension of the project is provided.

In the related Amlohri open-cast coal mine project which was to supply the power station, the National Audit Office report states:

"Administration advisers had not visited the site; social development and environmental advisers were not consulted...The extent of the appraisal was comparable to those for Aid and Trade Provision projects and fell short of the depth normally accorded to Country Programme projects...The Amlohri submission to the Projects and Evaluations Committee made no reference to the issues of land acquisition and resettlement...There was also conflicting evidence about the extent of land resettlement and the size of the population affected. There has also been unrest between villagers and mine staff."<sup>301</sup>

The *Oxfam White Paper* suggested a number of areas which the ODA ought to focus on if its implementation and evaluation of projects in relation to gender is to be serious. It argued that if all projects were to be assessed by social development advisers then this department should be strengthened so that it could do the job properly. Secondly, since women were the poorest of the poor in the Third World, a stronger commitment to poverty-focussed aid was necessary. Thirdly, Britain's commitments to the recommendations contained in *Forward Looking Strategies*, as with other UN targets, was abstract until a timetable for implementing them was established. This should be a priority. Lastly, since structural adjustment hit the poorest hardest, and women and children in particular, a commitment should be made to adopt the proposals of UNICEF on mitigating the effects of such adjustments and, in particular, avoiding a too rigid imposition of such measures.

In the 1989 edition of the ODA booklet, the formulation in the earlier addition of the objective of implementing projects aimed at women "where relevant" was dropped and replaced with "wherever an opportunity arises". This is another fairly typical piece of Whitehall rhetorical ambivalence in the sense that, in the Third World, where examples of the exclusion of women from development are everywhere, it seems to imply that somehow there is a shortage of possible opportunities to help women.

Similarly there was little change on "tokenism":

"We aim to take account of women in all parts of the aid programme. We expect ODA officials, whatever their field of responsibility, or specialism, to seek the fullest participation of women in development

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<sup>300</sup>Percy and Hall. *Op cit*, p6-7.

<sup>301</sup>National Audit Office. *Op cit*, pp12-14.

activities. We do not want women's interests to be marginalised or given token recognition."<sup>302</sup>

This view regards the placing of responsibility for women's issues in a specific unit as somehow mutually exclusive of an ongoing attempt to "take account of women in all parts of the aid programme", but this is not necessarily the case. Why not do both and at least ensure that at least some projects aimed at women are implemented by a special unit for women's projects? Such an approach recognises that it takes time to eradicate institutional gender-bias, but that steps could be taken to make a start in the meantime, in a specially set up unit staffed by women motivated to oversee it.

Aid Minister in the mid-1980s, Timothy Raison, expressed his view on this question in an interview conducted as part of the research for this thesis as follows:

CE. What about the issue of a special unit for women?

TR. What would the object be?

CE. Well, the argument has been that a special unit concentrating on initiating projects especially for women, instead of commenting on projects or advising people who are running projects initiated elsewhere,... a women's unit would be able to ensure that at least some projects would be actually got through....

TR. Well I'm rather sceptical about that. I mean there were many projects, important projects which were to do with women. Take one example the Orrissa, the big ODA project in Orrissa, very much to do with women and children.

CE. It's a question of: does the amount of resources devoted to women reflect the actual need...?

TR. Well, you know, there comes a point where I just don't go along with this argument. I think you should help communities and I think communities happen to be made up of men, women and children and if you are trying to help the community you should consider them all. I don't particularly believe in a separate aid programme.

CE. There have been arguments that...

TR. I know there are arguments, but one doesn't have to accept every, you know, fashionable idea that's put forward if one is being valid."<sup>303</sup>

It would appear from the above that this former ODA Minister does not recognise that women are either disadvantaged compared to men in relation to development or in need of special and specific support in terms of aid. This was made clear at a later point in the interview when he was specifically invited to recognise the disadvantaged position of women.

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<sup>302</sup>ODA. *Women, Development and the British Aid Programme*, op cit, p7.

<sup>303</sup>Interview with Sir Timothy Raison MP. 26 February 1991.

"CE. If you are considering the needs of the poorest isn't it women who are at the bottom of the pile?

TR. Well they are a very important part but I think... my view is that if you are doing an agricultural project you should look at the community as a whole. You should say we are concerned what happens to the women, what happens to the children, what happens to the men, what happens to the families. I mean that's the approach I would take."<sup>304</sup>

The view that gender was not a high priority under Raison is shared by ODA Social Development Advisers. In claiming that their opposition to a Women's Unit has now been vindicated by the decline in WID units in other development agencies, they admit that women's issues were not taken seriously within the ODA when it was opposing such a unit in the early and mid-1980s.

"I mean it really was a very marginal issue ... in all honesty when the ODA in the early '80s said that there shouldn't be a WID unit because it would marginalise they were obviously not giving the issue much importance."<sup>305</sup>

As a spokesperson for the National Alliance of Women's Organisations (NAWO), which lobbies the ODA on gender issues, about a gender unit at the ODA, points out, in relation to a women's unit:

"I think it demonstrates a specific level of commitment to the issue. And also it depends what they do with it... what do they do with this gender unit. If they let it get on with its own work, no need to sort of fund its own women's issues, women's organisations or women's projects then, yes, it will be marginalised. But if they actually integrate it into that whole system whereby projects pass through the gender unit to have it okayed as far as a gender perspective is concerned then of course it will have much greater impact on their work. And then what kind of authority are they going to give that veto. On the environmental thing... because the environment is such a buzz word and it's such a hot issue at the moment. If the environmental impact is considered too negative, too much, too awful they won't let a project go through, they won't go past that stage of project proposing, of getting a project proposal together. So would they then give the gender unit the same level of authority in terms of vetoing a particular project because it is detrimental to women in this particular country or that particular area or what have you? Then, you know, it makes a difference. But if they are just going to have a gender unit that's stuck off on the side there and just gets on with its work in whatever way it does, is given a budget or not or whatever, then yes it might become marginalised, but not necessarily – it depends what they do with it."<sup>306</sup>

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<sup>304</sup>Interview with Sir Timothy Raison MP. 26 February 1991.

<sup>305</sup>Interview with Rosalind Eyben, Senior Social Development Adviser, ODA. 4 July 1991,

<sup>306</sup>Interview with Maria Louise (NAWO). 18 August 1992.

On the other hand, the Social Development Advisers say that they want to avoid the situation in some other aid agencies where there are small WID units and WID specific projects, but where they only account for, say, 5 per cent of the budget and the rest of the aid programme ignores women's issues. This is obviously another very real danger to be avoided. A new system of internationally agreed statistical reporting on aid for women to the OECD DAC by bilateral aid agencies has been negotiated recently. This attempts to incorporate data on "WID-specific" projects as well as on "WID-integrated" aid. ODA Social Development Advisers claim that this now obliges desk officers to ask themselves a number of questions in relation to women and ensures that women's issues are consciously incorporated into project design. The requirements for statistical reporting are thus being used as a lever for the inclusion of gender issues. Social Development Advisers also point to other developments in relation to gender.

The vehicle for statistical reporting is a series of questions which forms part three of the *Checklist for the Participation of Women in Development Projects*. These questions are reproduced in Appendix 5.

The first two questions simply ask whether women are the primary targets, ie WID specific (question 1) or part of a more general target group, ie not WID specific (question 2). A negative answer to both these questions means that the project is classified as "WID not relevant". A positive answer to either of the questions leads to four subsequent questions designed to identify the project in terms of positive measures to relate the project to women. These questions therefore asked whether there had been consultation with women (question 3); whether women participated actively in the implementation of the project (question 4); whether barriers to women's participation have been identified and whether measures have been taken to overcome them (question 5); and whether expertise on gender questions had been utilised throughout the project cycle (question 6). If the answer to all the questions was positive then the project is classified as WID-integrated. If at least one positive answer was given, but less than all four, then it is classified as WID-relevant. The other parts of the *Checklist* deal with project design (part 2) and provide some information on women in development issues (part 1).

The use of the *Checklist* by the ODA is reviewed in the *Report of Progress in Implementing ODA's Policy on Women in Development 1989/90*, which is the annual report to the Minister on these issues. Annexe 1 of this report notes that the *Checklist* had not yet reached the desks at Higher Executive Officer (HEO) level and below. It also reported that the *Checklist* had not been circulated for insertion into the ODA Office Procedures, contrary to ODA policy. It seems that it was later decided that it should not be included in the Office Procedures after all and that it would be used merely as a vehicle for training. The reason for this is not clear, but it certainly prompted the National Alliance of Women's Organisations (NAWO) WID Group, an organisation which has been lobbying the ODA, to question the commitment of ODA officials to this *Checklist*.

The same annexe reported on the work of a team from University College, Swansea which had investigated project submissions for evidence of gender awareness. The team found that only 40 out of the 201 projects over £50,000 submitted during 1989 and 1990 even mentioned women at all. Of those that mentioned women, however, 13 were found to have a potentially negative effect on women. Eighteen were classified as "WID-not relevant". The remaining 22 projects were classified as either WID-relevant (20 projects) or WID-integrated (2 projects). There were apparently no WID-specific projects submitted in this two-year period. Thus only 10 per cent of projects had any measures which were designed to make them relevant to women;

90 per cent were completely irrelevant to women. Only 1 per cent could be said to be systematically attempting to address women's specific needs. No projects were initiated specifically in the interests of women. This is not a very impressive score when one considers that women are a disadvantaged majority of the Third World population!

They also managed, as we have already noted, to persuade the ODA in 1988 to develop a strategy plan for women and development which the advisers regard as a breakthrough. They have to report once a year to the Minister on progress in relation to women and development and make recommendations on how to improve it. As we have already noted, the number of Social Development Advisers in London has increased from two in 1986 to five now. In terms of projects aimed specifically at women, there are a few projects but this aspect of the aid programme is still very minor.

"We've got two kinds of project: WID-specific and WID-integrated. And WID-specific are projects which are focussing specifically on women. Now we can do those in the ODA, but we don't do it with earmarked money – it's just part of the bilateral aid programme. We don't have many of them, but we do have one or two. But most of our projects would be WID-integrated."<sup>307</sup>

The ODA Social Development Advisers cited as a "flagship" project relevant to women the Ghanaian Non-Formal Literacy Project. The project attempts to strengthen the work of the newly created Non-Formal Education Division of the Ghanaian Ministry of Education. This body was created with the intention of eliminating illiteracy in Ghana by the year 2000. It is attempting to do so through community-based informal adult education techniques, with the emphasis on providing "functional literacy" related to practical everyday requirements of the learners. The project is funded by the World Bank's Ghana Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD).

The background to the PAMSCAD in Ghana has been highlighted very effectively by Teresa Hayter. Structural Adjustment Programmes have led to a number of IMF/World Bank riots in Morocco, Tunisia, Algeria, Egypt and Zambia. There was also tension between the government and the trade unions in Ghana in 1987. In the same year UNICEF published *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, which argued that Structural Adjustment should be implemented with less of the burden falling on the poor. The initial reaction of the World Bank was to question whether Structural Adjustment had any effects on income distribution. For example in Ghana the PAMSCAD project was initiated in 1987 by UNICEF and the Ghanaian Government. Hayter quotes from a very revealing article in the *Financial Times*, which said:

"Initially the World Bank, on which the success of Ghana's economic programme largely depends, would have little to do with the PAMSCAD proposals. According to Accra-based UNICEF officials, it denied that the adjustment policies it was financing with \$160m credit were having negative social effects."<sup>308</sup>

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<sup>307</sup>Interview with Rosalind Eyben, Senior Social Development Adviser, ODA. 4 July 1991.

<sup>308</sup>*Financial Times*, 6 June 1988 (quoted in Hayter. *Op cit*, p72).

However, it later began to acknowledge that short-term, "transitional" hardship was occurring and that certain well-placed sectors of the population were capable of undermining Structural Adjustment unless certain measures were taken to alleviate the effects of austerity on these groups. The Bank consequently reversed its decision not to fund PAMSCAD. One of the threatened groups cited by the article was "rural households with low productivity". It is against this background that the Ghana Non-Formal Literacy Project has to be viewed.<sup>309</sup>

The ODA co-funded the pilot phases of this project, contributing £1.4 billion over a three year period from 1988 to 1991 (although the pilot areas were selected in 1988, delays meant that the pilot phase did not get under way formally until 1990). The project was subsequently extended nationally, and this phase is due to run until 1996.

It might have been expected that a "flagship" women's project would have consciously incorporated from its inception special measures to address the enormous problems faced by women trying to overcome illiteracy. A summary of the pilot phase of the project written by ODA Social Development Adviser Pat Holden appeared to recognise that this was not the case, however, when it spoke of *future* specific measures designed to benefit women rather than already existing ones:

"... from the beginning there has been a strong emphasis on literacy for women... although women currently attend classes in large numbers, their particular needs will receive closer attention in future through consultancy support to the WID officer in the NFE Division. Areas to be considered are:-

- evaluation of materials and how appropriate they are to women's needs (ie most women are overwhelmingly concerned with access to credit).
- research into women's needs.
- the training of women facilitators (currently the majority are men).
- the consultation process with women over functional requirements/timing of classes.
- links between functional literacy and community action/empowerment – breaking the 'culture of silence'.
- provision of child-minding.
- appropriate buildings (classrooms have small seats which make it difficult for women with babies on them).
- consultation with women's organisation/their involvement in the programme."<sup>310</sup>

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<sup>309</sup>Hayter, T. *Exploited Earth. Op cit*, pp70-74.

<sup>310</sup>Holden, P. *Ghana: Non-Formal Education Project*. Unpublished ODA Internal Document (brief summary of project), nd.



The project would appear to have suffered from the classic problems of many projects which have not been specifically initiated for women from the beginning. This may well have been connected to the way in which the Ghanaian PAMSCAD programme was initiated. The programme as we have seen above was in fact initiated by UNICEF and the Ghanaian Government. The World Bank was subsequently "morally shamed" (in the words of an Accra-based aid official mentioned in the *Financial Times* article cited above) into backing it. The ODA also then supported the programme. The Social Development Advisers it would thus seem were obliged to operate on the familiar basis of damage limitation after the project had been initiated. The fact that the majority of facilitators were men would seem to indicate that insufficient thought had gone into the need for recruiting more women at the inception of the project, for example.

The *Project Identification Proposal* for expansion of the project nationally submitted to the World Bank in 1991 by the Ghanaian Ministry of Education does devote a paragraph to the fact that women are disproportionately affected by illiteracy: "While 42.2 per cent of Ghanaian males aged 9 years or over could write, only 23.4 per cent of women could do the same."<sup>311</sup>

It also specifically mentions as one of its long-term objectives the need "to identify groups of illiterate villagers of both sexes who are interested in becoming literate." (p10) The section on research mentions the need for this to include the "learning needs of women" (p11). A number of references are made to the need to involve women's organisation, the 31st December Women's Movement, in the project. In the chapter on selection of voluntary facilitators, "women's group organisers" are mentioned as having shown interest in wishing to participate in this role, although no steps are outlined to ensure that women do in fact participate proportionately to their percentage of the population. In the chapter on training "women in development" is listed as being a topic to be covered (p46) and the regional training teams are described as being made up of "7 highly qualified men and women". There is also a reference to the need to evaluate "the impact of the literacy programme on the economic and social status of women" (p68). However, there is repeated usage of the word "manpower" in the document, indicating an insensitivity to the gender connotations of language being used.

It has to be said, therefore, that although women get a mention in the document there is nothing like the systematic attention required to the need for active measures designed to address the enormous and specific problems that women face in trying to overcome illiteracy. In the seventy pages the references are few and far between, and they are left unelaborated. Women are mentioned in passing, nearly always in merely a part of a single sentence. The most that is devoted to them is one paragraph at the beginning which mentions that they are disproportionately affected by illiteracy. There are no specific proposals on how to redress this, however. The *Project Identification Proposal* document, therefore, does not really enlighten the reader in relation to what this "flagship" women's project is all about. It is clear that the project falls into the category of "WID-relevant" but not specific in keeping with most other ODA projects.

The issue on which the ODA have made some progress is on training in gender issues. One day a month is set aside for this training. The forms which institutional

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<sup>311</sup>Government of Ghana Ministry of Education. *Project Identification Proposal: The Expansion of Functional Literacy Campaigns Nationwide 1991-1996*. Unpublished ODA internal document. January 1991. p8.

gender bias take have been succinctly summarised in relation to professional disciplines within rural development institutions by Penelope Roberts as follows:

"The biases of professional disciplines represented by the major departments responsible for rural development have been persistently in favour of export crops rather than the food crops which women grow, in favour of large livestock rather than the small livestock which women may own, in favour of forestry rather than the maintenance of village fuel supplies for which women are responsible. The gaps between professions makes matters worse. Water engineers design rural water supplies without any knowledge of the preferences of the water hauler or of how to learn from and advise women users about maintenance and management. Agronomists develop new crops without considering how they are to be processed or by whom, let alone whether they are suitable to the undervalued but irreplaceable skills of cooking to which women must devote so much of their time."<sup>312</sup>

An unpublished Oxfam paper in 1983, by Suzanne Williams, further stressed the need for the involvement of women in the design and implementation of aid projects and showed that the controversy over the need for women staff and special agencies for dealing with women's issues is symptomatic of a very real and deep-going problem and is not just a rhetorical dispute. Firstly, given the fact of women's relative powerlessness within the Third World community and within the household, it is most often the case that they are represented by men when development decisions are taken and this is further compounded by the fact that aid agencies are staffed disproportionately by men. When it is considered that, as Williams points out:

"The nature of the problem itself often makes it extremely difficult for Oxfam field staff to obtain the information necessary for an understanding of the real needs of poor women. In societies where women are not permitted by men to take part in discussions on a community level, it can be difficult even for female field staff to gain access to the silent half of the community. It is virtually impossible for male field staff. The same usually holds true for intermediate agents. In addition, it is often important to realise that women will often, by virtue of their social context, transmit the dominant representations of themselves."<sup>313</sup>

Williams goes on to recommend, among other things, that in the formulation of (in this case Oxfam) aid projects attempts should be made to gain direct contact with women, and clearly, in this context, the existence of women field staff is not merely a question of the rights of women to be employed proportionately within British aid agencies, but it is also a crucially important issue if access to the female half of Third World is to be achieved at all.

Within the household itself, Williams also notes that development projects which benefit males may actually worsen the position of women and children. Agricultural schemes which encourage production for sale rather than domestic consumption

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<sup>312</sup>Roberts, P. "Development Projects and Women". *Links No 20. Magazine of Third World First*. Sept 1984, p20

<sup>313</sup>Williams, S. *Women in Development*. Unpublished Oxfam paper. 1983, p2.

may result in the transfer of resources from the subsistence of the women and children to cash income which remains with the male head of household.

"Women suffer most from failure of development projects to look at intra-household relations, for cash income which comes into the household is usually controlled by the males, and women commonly say that they spend it on personal articles instead of on food for the women and children. This gives rise to the situation often cited, where women and children are malnourished and ragged, while men of the household have new clothes or such items as bicycles, wristwatches and radios. Women's status within the family can drop relative to the men's with the introduction of new opportunities for the men, such as technology and cooperative membership, and this worsens male/female relationships within the household and rebounds on the nutritional state of the children...The household is the last bastion of the now discredited 'trickle-down' theory..."<sup>314</sup>

Williams goes on to argue for more attention to the position of the growing phenomenon of the female-headed household, the welfare of which can be undermined by development based on the needs of men, for example through the disruption of long-standing, communally-based land-holding patterns which have traditionally enabled women to contribute to the family income. She cites childcare as an area in which aid projects could help to enable women to take greater advantage of training and education. She argues that aid projects ought to recognise the importance and value of existing women's work and help them to carry out this work more effectively rather than adding other forms of work which would not decrease the already heavy traditional work practices, but simply extend the total volume of duties. The importance of extending women's control over their fertility and the reduction of social and religious constraints is stressed, as is the effect of cashcropping in reducing the variety of available food for consumption and its effects on women's health. Access to land, resources, credit, education and training are also considered and women's interests in relation to the changes which development brings are highlighted.

Whilst the shift from communally-based ownership of land to individual ownership which often accompanies rural 'development', for example land reform or registration, can often lead to the dispossession of small rural communities in general, women are particularly hard hit because their traditional use of land is undermined as its ownership is formalised and it is registered in the names of male heads of households. Women lose the ability they had under traditional ownership to sell their surplus production for cash. As Williams points out:

"This is the beginning of the impoverishment process for women: for land is usually security for credit, and land ownership often the criterion for access to agricultural extension services, irrigation and membership of cooperatives. Women's status relative to men's in rural areas suffers as a result, and women increasingly take over all the subsistence farming work, which can result in an unmanageable workload, and loss of opportunities to gain any sort of cash income."<sup>315</sup>

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<sup>314</sup>.*Ibid*, p6-7.

<sup>315</sup>*Ibid*, p15.

Williams goes on to recommend that this dimension of rural modernisation and development be taken into account when planning aid projects relating to land reform. A basic theme running through Williams' paper is that unwanted side effects of so called 'development' which is not conscious of women's interests, can make matters worse. Improvements in technology can be monopolised by men. Typically men are offered training in new agricultural production techniques and not women, who are swamped with childcare responsibilities and subsistence food production and who do not have the time for such things. Taken together with membership of cooperatives which are often limited to men, this can mean that the modernisation of production of a particular women's crop leads to the transfer of this crop to production for cash under the control of men which, as we have seen, can result in a loss of resources for family consumption and the transfer of these resources to cash for the male head of household. Williams highlights the importance of training opportunities for women and the need to ensure that aid projects address the questions of childcare and the organisation of food processing on a collective basis to create the space needed to enable women to attend training and educational programmes. The illiteracy gap between the sexes is growing, and when this is taken together with the gender imbalances in British Technical Cooperation training uptake by women, the extent of the problem becomes starkly clear.

Williams' paper demonstrates the range of issues which must be considered in planning and implementing women's aid projects and drives home the point about the vital importance of women aid workers in assessing and implementing aid projects aimed at women.

The failure of the 1986 edition of the ODA booklet on women to recommend that more resources be provided to enable women to train at the lower level of educational provision to enable women to achieve educational qualifications and get out of the trough of poverty and ignorance, and the emphasis on "male" subjects, highlighted by the War on Want report, would seem to be important.

The 1989 edition of the booklet did, however, acknowledge the problem:

"... the greatest potential for improving women's opportunities lies in the education systems of developing countries. To participate fully in the development process and to control their own lives women need to be educated to the highest levels and when employed to receive further training which will help them acquire skills to overcome barriers to promotion opportunities. Through training and education programmes, the ODA is attempting to redress the disadvantages faced by women throughout the education system in developing countries, where schools report low enrolment, poor attendance and high drop-out rate for girls; as they progress through school to universities and higher education their numbers rapidly diminish. There are many contributing factors: parents' perceptions that girls are poor investments for education, especially in households where resources are scarce; pregnancy and early marriage; social customs related to the segregation of the sexes. Sex-stereotyping of subjects and occupations persists with large numbers of girls 'pushed' into domestic science subjects and the majority still entering professions such as nursing and primary school teaching. Many women seek the opportunity for basic literacy or further education and training through non-formal programmes. A large number of ODA-supported projects have integrated training components providing agricultural extension,

health education and training in income-generating skills. Women are often the main beneficiaries of these."<sup>316</sup>

Neither, significantly, did the 1989 edition of the ODA booklet on women and development repeat its three-point apology for the low number of women on TCP courses which was criticised by the War on Want report. Instead it said:

"We are making strong efforts to increase the numbers. An independent consultant has advised us on measures which we can take to improve the position. Our objective is to increase the numbers of women on courses across the board, not just courses conventionally thought to be 'for women'. We are also trying to make it easier for women to train. For example, mid-training leave is allowed on longer courses in Britain; more attention is being given to in-country training which is easier for women."<sup>317</sup>

The War on Want report noted that women, through social conditioning and lack of educational opportunities, are less likely to take up "male" subjects (which are in turn linked to the high-tech, capital intensive "hardware" priorities of the aid programme generally) and are more likely to be preoccupied with the "caring" professions. It drew attention to the importance of providing more places under the TCTP for these subjects:

"Locally initiated 'welfare' or 'domestic' projects receive less finance, although the TCTP awards go disproportionately to these projects. The priorities of the TCTP arrived at in agreement with the host governments, do not adequately reflect developing countries' pressing need to renew gains made in literacy, health, housing and nutrition."<sup>318</sup>

The response of the ODA to this in its 1989 booklet on women and development, however, was:

"The ODA and the British Council are pursuing ways to increase the numbers of women taking up awards in the 'non-traditional' study areas such as agriculture, engineering, housing and public administration."<sup>319</sup>

While there is of course nothing wrong with encouraging women to do this as such, in terms of development priorities it would seem to reflect the existing "hardware" priorities of the aid programme. These do not seriously address the need for a greater emphasis on the need for a more poverty and gender-focussed aid programme generally. This would require training in the areas of education, health, welfare, housing and nutrition for the kind of poverty-focussed projects that relate to such areas, with which women, by the very nature of their current position in society, are associated.

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<sup>316</sup>ODA. *Women, Development and the British Aid Programme (op cit)*. 1989 edition, p19.

<sup>317</sup>*Ibid*, p9.

<sup>318</sup>Mazza. *Op cit*, p13.

<sup>319</sup>ODA. *Women, Development and the British Aid Programme (op cit)*. 1989, p19.

ODA Social Development Advisers point to research they have undertaken on the low numbers of women participating in the TCTP. This resulted in the Holden Report which analyses some of the problems. Its recommendations focussed on the sectoral imbalance in the aid programmes and advocated certain targets and quotas.

"1. The main constraint on women taking up TCTP awards is the Keysheet [guidelines on the country training programme] emphasis on large-scale infrastructural sectors rather than on social sectors, where women are more likely to be represented. Priority sectors as they are represented in training proposals on the country keysheet should adequately reflect social aspects of these sectors. ...

4. The target for increasing the numbers of women taking up TCTP should be an overall global increase from 15 per cent (the current figure) to 40 per cent to be achieved over a period of five years. This can be achieved in gradual stages, ie an increase of 10 per cent for the first year. ...

9. As an interim measure, countries with a particularly low number of women should use Section II [non-project-related 'open' awards]

10 ... a specified number of awards targeted at women could be given to every ODA-supported project employing a workforce above a specified number which is known to employ more than 5 per cent of women at middle-level grades and above."<sup>320</sup>It seems that the ODA did not adopt the recommendations on formally set targets and quotas of this report, which was written by one of its own Social Development Advisers. Instead, it was left up to each desk to set its own targets on a voluntary basis which is dependent on the attitudes of the staff concerned. The ODA did not make measures designed to increase the representation of women mandatory – perhaps that is one reason progress has been so slow.

In 1987 the figure of 15 per cent of TCTP places taken up by women has been increased to 21.5 per cent in 1990. ODA Social Development Advisers put this increase down to a deliberate effort to push the British Council to get more women on the scheme. They cite the remaining problem of the sectoral imbalance in the aid programme as whole.

"The problems now are a) the structure of British aid, the fact that if we do a lot of engineering projects there are not many women engineers around so it's the sectoral balance which is now a constraint. The second problem is the attitudes of recipient governments because TCTP is government to government assistance... the whole TCTP now is largely structured around project-related training. Many of the subjects are traditionally non-female subjects and that is likely to affect the number of women coming through... But the way we do TCTP is currently being

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<sup>320</sup>Holden, P. *Constraints to Increasing the Number of Women Benefiting from ODA-Funded Training Awards* (The Holden Report). ODA, 1988, pvi. Unpublished.

reviewed at the moment by ODA and this issue which you have raised is high on the agenda."<sup>321</sup>

Whilst the 1989 ODA women and development booklet does acknowledge some of the points raised above on the need for education and training of women at all levels of society, it also mentions some projects which fund women and development courses in British universities and also fund literacy and primary health care programmes in certain recipient countries. The question is, of course, where projects that do help women exist in the British Aid programme, they are usually small-scale programmes in areas which are rarely discussed at the highest levels. They rarely require a shift in donor or recipient development priorities and they are so small in scale as to have little major impact.

One of the projects mentioned in the ODA booklet on women (p19) is the Indo-British Fertiliser Education Project (IBFEP). The booklet misleadingly implies that the whole of this project is targeted at illiterate women farmers – it actually goes so far as to quote the total cost of this large project (£34.92m), thus leading the unwitting reader to assume that the whole of this money is being spent on what is actually only a part of the project. In fact, as we have seen in a previous chapter on the environment, this large "flagship" agricultural extension scheme has been criticised for its emphasis on high-tech methods and inputs with which the very poorest farmers (where women are grossly over-represented) can ill afford to experiment through lack of access to credit.

In reading the 1989 ODA booklet on women, one has the feeling that it is a public relations document which makes much of what is really very little in terms of funds expended. A reader surveying the projects mentioned has little conception of what this represents in terms of the proportion of the overall aid budget. When one considers the scale of the problems faced by women in the Third World it really does seem to be only scratching the surface.

A positive development within the ODA is the splitting of economic development and social development into two separate departments with the effective promotion of the Senior Social Development Adviser to a head of department. This can only help to increase the authority of the Social Development Advisers and generally increase their "clout" within the ODA.

To conclude this account, it is necessary to estimate the success or otherwise of the impact of the UN Decade for Women and the guidelines which came out of the Nairobi conference in a British context. The UN Decade for Women did set in motion some positive developments. These cannot all be attributed to the UN initiative, as the OECD played a part too in overcoming the inertia within national aid agencies. It had published its *Guiding Principles to Aid Agencies for Supporting the Role of Women in Development* two years before *Forward Looking Strategies*, and although its proposals were not so far reaching there is no doubt that it has played a positive role in at least getting women onto the agenda of national aid agencies. The fact that the ODA is obliged to acknowledge the existence of these proposals and engage in the kind of rhetoric which is in evidence in its booklets on women provides a useful lever for the development lobby to seize upon in the way in which this chapter has illustrated. It is interesting to note the development lobby's assessment of the present situation. In the case of War on Want, their assessment

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<sup>321</sup>Interview with Rosalind Eyben, Senior Social Development Adviser, ODA. 4 July 1991.

after the first edition of the ODA booklet on women was published, but before the second edition came out, was as follows:

"The few women and development policies that do exist are ineffective. The Women's adviser post does not in reality exist, the checklist and guidelines are not used. Research and evaluation are underfunded and their results are not fed back into effective policies. There are few safeguards of women's interests. Project planners and evaluators do not have to prove that they have taken women into account. Staff training takes the form of a part of a half-day once in some officers' careers. Few projects exist that are of direct benefit to women, and in the ODA the role of the women staff is more or less confined to clerical and secretarial grades. Above all, policy on women and development is just not taken seriously."<sup>322</sup>

However, the publication of the 1989 ODA booklet on women and development did receive a favourable response in some circles of the development lobby. The World Development Movement saw it as an important step forward from the 1986 edition. An article in the WDM newspaper welcomed the booklet's emphasis on "the importance of involving women at all stages of the project cycle" without apparently being conscious that this, as we have seen above, would require more than the efforts of the two social development advisers then responsible for that task. The article went on to welcome the fact that the booklet :

"... acknowledges that providing equal opportunities is not enough. The ODA have learnt from experience that women need special planning and assistance to take advantage of the opportunities. This is a very significant step forward on the part of the development planners. Another theme expanded is the importance of working with women's groups. The ODA clearly value their regular meetings with the Women's Organisation Interest Group (now called the National Organisation of Women's Associations) in which the WDM participates. The value of an open approach and a willingness to listen is stressed. Similarly the advantages of working through women's groups in developing countries is a major theme of the booklet."<sup>323</sup>

This difference in assessment probably reflects the difference in approach of the two Ministers: Timothy Raison, who was in office when the first edition was published, and Chris Patten, who was Minister when the second edition came out. Patten has been noted for his willingness to listen and discuss, and this was certainly the policy of the ODA under his direction. The difference in generation may also have been a factor. The fact that he was put into this job may well have reflected the need to meet the challenge created by an increasingly effective development lobby which was able to utilise the initiative of the multilateral agencies on such issues as gender and the environment.

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<sup>322</sup>Mazza. *Op cit*, p39.

<sup>323</sup>*The Spur*, April 1989, p7.



## Chapter 8

### Conclusion and Alternative Proposals for British Aid

This concluding chapter will examine the options which exist for overcoming some of the problems which this thesis has highlighted in relation to aid. A number of writers of reports and books on aid have come up with proposals for improving the way aid is used in order to make it more effective in alleviating poverty, safeguarding the environment and relating to the specific problems of women. Other writers have proposed the complete demolition of aid giving as it is presently carried out, and its replacement by a kind of Third World economic solidarity which they would see as only being capable of implementation by a radical socialist government. A further group of writers see the only way of overcoming the problems created by aid itself (in their view) through the abandonment of aid giving altogether.

To take the former view first, there are those who advocate reforms of aid who accept that aid can play a positive role in meeting the needs of Third World development. The churches, the NGOs and the development lobbies which they support are the most obvious and largest of the institutions which adopt this view. For example, in Britain the churches and the NGOs support organisations like the World Development Movement, which campaigns and lobbies for improvements in the quality and quantity of aid.

Then there are those who call for "solidarity, not aid", who, starting from an ideologically socialist standpoint, argue for a more root and branch critique of aid. Typically, it is said that on balance aid as it is used today by Western governments does more harm than good and that reforms of the sort advocated by the churches do not go to the root of the problem. Reforms advocated by the development lobby leave intact the underlying political and economic purpose of Western aid, which is primarily to promote, through the mechanism of IMF/World Bank conditionality, the economic model favoured by the wealthy donor countries – a model which preserves the very inequalities between North and the South which aid is supposed to end. The changes which would be required go beyond what might be regarded as reforms of aid in its present form to question the validity of the economic model upon which aid is conditional. This approach might be termed the "Third World solidarity" critique of aid.

Then there are those who reject the possibility of doing anything positive until the whole edifice of Northern aid institutions is completely destroyed for varying political motives, both right and left. One view from the right is that of Bauer, as we have seen, who wishes to leave development to market forces; another view which does not appear to have any readily identifiable political axe to grind, but which is critical of the corruption surrounding aid-giving institutions and recipient governments, is that of Graham Hancock in his provocatively-written book, *Lords of Poverty*. Unfortunately, this approach does not provide an alternative, concluding merely with the expressed hope that one day people might learn how to:

"help one another directly according to their needs and aspirations, as they themselves define them, in line with priorities that they themselves have set, and guided by their own agendas."<sup>324</sup>

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<sup>324</sup>Hancock, G. *Op cit*, p193.

Hancock thus fails to offer any concrete proposals beyond this sentiment. Bauer thinks the market will do everything for us. In contrast, the other two groups of writers do at least put forward some proposals which can be compared as follows.

### **On What Basis Should Aid be Distributed?**

The development lobby typically proposes that aid should be distributed to countries on the basis of such criteria as income per head and sectors closest to the poor, such as agriculture and social and community services. The Third World solidarity critique argues in contrast that the only guarantee of getting aid through to poor communities is to give it to governments that have a proven record of aiding the poor, looking after the environment and specifically relating to the needs of women. A list of "progressive" radical and communist Third World countries with redistributive and positive environmental policies are cited, such as Nicaragua under the Sandinistas, Angola, Mozambique, Cuba, Vietnam and China, as examples of countries which have been supported by Scandinavian countries and which, it is argued, should be supported by Britain.

### **Structural Adjustment**

In the immediate post-war period, the IMF was set up to provide short-term balance of payments support to Third World governments in financial difficulties. The World Bank, on the other hand, was set up to provide long-term development aid. While IMF funds were quick disbursing, World Bank funds were spent largely on project aid which was slow disbursing, sometimes taking as long as ten years. In the aftermath of the oil crises of 1975 and 1979, the recession of 1980-83 and the subsequent debt crisis meant that increasingly debt-ridden developing countries regarded both these sources of finance as inadequate and sought a more long-term, quick-disbursing form of aid. In June 1980, the World Bank initiated structural adjustment lending to fill this gap. At the same time, the conditionality previously associated with IMF loans also became a feature of structural adjustment loans. As Mosley has pointed out, after initially expressing the fear that this would create conflicts with the IMF, Britain has been one of the strongest supporters of this form of conditional lending.<sup>325</sup>

The difference between the "development lobby" and the "Third World solidarity" critique of official aid hinges around the question of the role of policy-based lending by the IMF/World Bank, support for which is also a condition of other multilateral and bilateral aid agencies. Behind this question lies the economic model which policy-based lending promotes. The development lobby is not uncritical of structural adjustment and austerity, which it sees as causing much hardship; but whereas the "solidarity, not aid" critique denounces all such conditionality and demands that it ceases, the development lobby calls for adjustment with a "human face" or, in the case of the green lobby, adjustment with an "environmental face". The "solidarity, not aid" critique says that structural adjustment promotes an economic model which does damage to the poor which far outweighs any good that aid might do. It is argued that it is not sufficient merely to emphasise that structural adjustment should be made more humane with a few measures to cushion its impact: it is necessary to expose the fact that it is a means of preserving the inequalities which exist between North and South.

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<sup>325</sup>Mosley, P. "The World Bank and Structural Adjustment". In Bose and Burnell (eds). *British Overseas Aid Since 1979, op cit*, p80.

There is, nevertheless, a degree of overlap between the development lobby and the Third World solidarity critiques. For example, the 1986 report of the Independent Group on British Aid contains the following formulations in its list of recommendations which typifies the development lobby's approach:

- "21. Britain should seek to ensure that the adjustment policies demanded by the IMF and the World Bank take full account of the impact of those policies on poorer sections of the population in the country concerned.
- 22. Britain should not threaten to withhold bilateral aid as a means of pressing a developing country to accept an IMF or World Bank programme.
- 23. In considering appropriate adjustment policies, Britain should act on the basis of her own independent appraisal of the appropriate policies required and not only rely on judgments made by the IMF or other authorities.
- 24. Britain should support proposals to ensure that adequate funds are available, from the World Bank and private sources, to assist adjustment in debtor countries, but should seek to ensure that this policy is applied to all debtor countries, especially poor African countries, and not confined to the select few defined in the Baker plan."<sup>326</sup>

Point 22 challenges directly a mechanism by which the donor countries and the IMF/World Bank impose their will on developing countries. However, the text of the report at no point says that structural adjustment should be opposed as such. It merely argues that undue pressure should not be applied to Third World governments through the threat of cutting off aid. For example, Britain suspended programme aid to Kenya in 1983 because it had not carried out quickly enough the privatisation of maize marketing required by a World Bank agreement.<sup>327</sup>

An example of the approach of the solidarity critique on this issue is the following:

- "— campaigns should centre on exposing the harmful effects of existing forms of structural adjustment and conditional programme lending on poverty, the environment and the forests.
- Britain and other European governments should cease to back, or in the case of the European Commission, should not begin to back, the conditions imposed by the World Bank and the IMF through structural adjustment lending.
- European governments should dissociate their aid from these programmes, and should be willing to provide aid to progressive governments whose policies do not meet with World Bank/IMF approval."<sup>328</sup>

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<sup>326</sup>IGBA. *Missed Opportunities*, *op cit*, p58.

<sup>327</sup>*Ibid*, p40.

<sup>328</sup>Hayter, T. *Exploited Earth*, *op cit*, p256.

According to this view, aid is increasingly being provided in the form of programme aid rather than project aid, which has tight conditions in the form of structural adjustment lending. This form of aid is primarily to release funds in developing countries to service the debt. The increasing poverty resulting from austerity and the emphasis on increasing exports has a greater effect on forests and soils than do individual aid projects. Sectoral adjustment aid aimed, for example, at the energy sector, can also be similarly highly conditional and policy based.

The importance of this discussion lies in the fact that it is not just that attempts by governments to implement a poverty-focussed programme are in decline with the project aid budget at the micro-level aimed at meeting basic needs. This decline also has to be seen alongside the trend away from project aid towards more conditional programme aid. Increasingly, the declining attempts to introduce a poverty focus at the micro-level are overshadowed by the contrary effects of policy conditions at sectoral and macro-level attached to the growing number of sectoral and structural adjustment loans.

The support of IMF and World Bank conditionality by the regional development banks, national aid agencies and private banks provides a formidable force in imposing their economic model on developing countries. Any attempt to chart a way forward for aid, it is argued, must confront this question if it is seriously going to make aid more poverty-focussed. EC aid, as the above quotation indicates, has not thus far been linked to IMF/World Bank conditionality, although there are attempts being made to change this situation. According to the "solidarity, not aid" critique, this must not be allowed to happen, and the delinking of aid from policy-based lending must be extended to national aid agencies.

### **Political Pressures for Action**

What political pressures can be brought to bear on the obstacles to helping the Third World? Promoting green/ethical consumerism, international North-South cooperation with the trades unions, anti-racist, anti-sexist and Third World development education in schools have all been suggested as possible ways of developing a greater consciousness of what is going on in the Third World, which might be a means of generating a broader political movement on development issues.

The Labour government promoted development education in schools in the 1970s. This had died a death as a top-down government initiative in the 1980s under the Conservatives. The only thing that remains is the network of development education centres in the teacher training institutions. The National Curriculum introduced by the Conservatives restricts what can be taught in this area, whereas previously there was latitude to deal with development issues as a topic or as a theme running through all aspects of the curriculum.

It is an undeniable fact that the nearer one gets to the workplace, especially in industries that compete with Third World products, the harder it gets in terms of gaining support for the Third World – except for a politically aware minority of workers. The trades unions do not have a very good record on this question, despite a certain amount of rhetoric about the need for solidarity with workers abroad which occasionally may be heard coming from their international departments.

The question arises: do working people in Britain have a common interest with their counterparts in the Third World? Why should workers in Britain be concerned about

workers in Africa or South America? When it comes to jobs during a recession there is often little room for sentimentality in the minds of some workers about the plight of immigrant workers in Britain, let alone in the Third World, as the recent growth of far-right organisations across Europe demonstrates. However, the working population in the North is not homogeneously self-centred and "me first". It is possible to identify a small but important layer of younger trades union activists, marginalised/unemployed workers, gender-conscious women, ethnic minority groups conscious of racism, students and a wing of the intelligentsia on issues to do with class, gender, race and other issues, who are willing to campaign on issues other than those connected only with their own self interest. The effectiveness of this layer in politically isolating the more short-sighted elements, which can potentially become the cannon fodder of the racist far right, depends on how well organised and politically conscious they are. The effectiveness of this layer is limited in Britain. It is marginal, in practical political terms. It faces an uphill task in implementing its aspirations.

It is necessary to deal with the question of whether there is a common interest between workers North and South, and the problem of Northern self-centredness. It is a common complaint of the working class in the Third World that Northern workers are uninterested in the problems of the South. This is undoubtedly true for the vast majority of workers in the North outside the small minority described above. Racism, national chauvinism and First World egoism abound, and the Northern trades unions are not immune from it. It is important not to idealise the Northern working class in this respect. It is also true, according to the "solidarity, not aid" view, however, that an objective relationship exists between the working people internationally that is independent of its egotistical, subjective attitudes. Even if many British workers do not yet comprehend it, their fate is inextricably bound up with the fate of their counterparts abroad. British labour history can provide some evidence of this phenomenon.<sup>329</sup>

Since the time of the French Revolution, events on the continent have played an important part in shaping the conditions and rights of British workers. The French Revolution itself provided a strong impetus to those forces within British society which were struggling for democratic rights, and this included the labour movement which was struggling against anti-trades union legislation. The upsurge in the struggle was so strong that the Combination Laws of 1799 were enacted to drive the movement underground. Ultimately, the creation of the British trades unions may be seen as being largely the result of the influence of the French Revolution on British workers. The defeat of Napoleon, which strengthened the landlords, led to restoration of the Bourbons in France and was a factor in the introduction of the Corn Laws in Britain. The July Revolution of 1830 in France was in turn a factor in the enactment of the first Electoral Reform Bill in 1831 in Britain. This is a good example of reform as a by-product of revolution. It was also followed by the development of the Chartist Movement, which achieved the ten-hour day and the repeal of the Corn Laws in 1844-47.

The defeat of the revolutionary movement on the continent in 1848, however, was accompanied in Britain by the decline of the Chartist movement, and it also

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<sup>329</sup>In the following brief and necessarily schematic account, it is not being suggested that external foreign factors are solely responsible for events in Britain – internal factors undoubtedly were at work also. It is simply to say that these external factors were at work because there is a tendency for people in Britain, and more generally in the North, to be rather insular in their view of history and not sufficiently take account of external factors.

undermined the momentum for electoral reform for a long period afterwards. The victory of the North against the slave owners in the American Civil War was a crucial factor in the enactment of the 1867 Electoral Reform in Britain, which gave the vote to a part of the British working class. In the wake of the 1905 Russian Revolution the Labour Party formed for the first time a substantial parliamentary group of 42 members. Likewise, after the 1917 Russian Revolution, the 1918 Electoral Reform Act gave the vote to a wider section of the working class and allowed some women to vote for the first time.

The objective interrelationship between workers across international boundaries is thus a fact of life, regardless of their subjective attitudes to other workers abroad. An example of this phenomenon at work between workers across the North/South divide is the expropriation by Mexico of British oil interests in the late 1930s.

The rivalry between the US and Britain in this period allowed Cardenas to get away with nationalising British interests without fearing a reprisal from either Britain (because of the tensions this would have created with the US) or from the US, which was itself experiencing the growth of radical developments within the working class in the form of the growth of the militant trades union confederation, the CIO. The "New Deal" policy, which may be understood as a concession to appease the militancy of the American workers, was paralleled by the "Good Neighbour" policy in foreign relations which reflected the same kind of concession to the Latin American working class, ie to cede on secondary questions in order to preserve what is fundamental.

Thus, a peaceful step towards economic independence in Mexico was possible thanks to a more vigorous development of trades unionism in the US. This was in spite of the fact that Lewis, the leader of the CIO, or indeed the majority of the US working class, was lacking in "sympathy" for the Latin American people. It was also in spite of the fact that the majority of the Latin American working class was unable to see that there was a common interest between themselves and the North American working class. A common, informal objective alliance between them was, nevertheless, at work.<sup>330</sup>

Although only a small percentage, North and South, of the working class is able to comprehend this reciprocal relationship, it is argued that they can play a crucial role in a relationship of mutual "solidarity". The importance of direct links between working-class organisations across the North-South divide becomes apparent in the light of this, so that the full benefit of the informal alliance can be realised as far as possible in the form of a conscious international collaboration.

In the post-war period, the Cuban Revolution severely shook the US. It was a major reason for the Alliance For Progress programme of the Kennedy administration, which provided aid to prevent a recurrence of the same thing on the Latin American continent. Aid may thus be seen in this case as another example of a reform conceded as a by-product of revolution.

There are, however, certain problems with seeing aid simply as a "reform". Given without conditions, it might well be described as such. The tendency, however, is towards greater conditionality in the present period, not less. It is in this context that

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<sup>330</sup>Trotsky, L D. "Where is Britain Going?" In Chapell, R and Clinton, A (eds). *Writings on Britain*, Vol 2. London, 1974, p25; and "Ignorance is Not Revolutionary Virtue". In *Writings of Leon Trotsky 1938-39*. New York, 1969, p97-98.

aid must be understood to be primarily a lever for imposing the donor government's preferred economic – and, increasingly, also political – model.

The conclusion which the "solidarity, not aid" view draws is that Third World governments must try to do without conditional aid where possible. This does not mean that attempts to make aid less conditional should be abandoned. A scenario is presented in which a radical socialist government would exclusively direct non-conditional aid to those governments with a record of redistributing wealth to the poor. This exclusivity is justified as a means of correcting the existing bias in international aid which discriminates against these countries.<sup>331</sup>

The objectives of many campaigns to reform aid have to be seen in perspective. As we have already noted, the Labour Government attempted to introduce a poverty focus into the British aid programme in the mid-seventies. An important focus of the development lobby's proposals at present is also for a return to this policy. The "solidarity, not aid" critique, however, makes the point that, while conditionality exists, attempts to introduce a poverty focus will be greatly outweighed by the overriding negative effects of the imposed economic model.

Calls by the development lobby upon the donor countries to bring pressure to bear on recipients to implement a more poverty-focussed or environmentally-conscious development policy are quite widespread and are another form of conditionality. This approach, presented in isolation from a more general analysis of the aid-giving process, can express a somewhat patronising attitude towards the Third World. In the absence of a perspective which explains that the overriding purpose of official aid is the imposition of the economic model favoured by a self-interested North, a misconception is created about the reality of North-South relations. Such a misconception presumes the right of the "civilised" North to lecture the "backward" South about the need to look after its environment and to assist the poor. Such a perspective also assumes that this same self-interested North can play a generally positive role in helping the South. It also makes the assumption that the North has a superior environmental and poverty-relieving record.

The "solidarity, not aid" critique, on the other hand, argues that it is necessary to avoid creating unrealistic illusions about the likelihood of Northern donors implementing genuinely progressive policies in the South. On the contrary, the dismal record of the North in terms of its own environment, for example, means that a perspective of relying on the North's pressurising the South is both naïve and hypocritical. If the North wishes to preserve the forests of the South, it is largely because it wants to use them as a sink for its own wasteful practices, it is argued.

The conclusion which this approach leads to is that the Third World must break out of dependency on conditional Western aid and learn to do without it until aid is available without strings. It recognises, however, that it might be problematic for the very poorest of countries to do so immediately, but stresses that this is what they must try to achieve at the earliest opportunity.

This thesis has shown that Northern aid as it is presently constituted is primarily an instrument of Northern interests, of Northern economic and political objectives. It plays an overwhelmingly negative role in the South. The growth of policy-based lending and Structural Adjustment Lending within the multilateral and bilateral agencies essentially promotes an agro-export model. It opens the economies of the

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<sup>331</sup>Hayter, T. *Exploited Earth*. *Op cit*, p242.

recipients to unrestricted imports of Northern goods while Northern markets are closed to the majority of Southern products competing with Northern equivalents. If aid is conditional in the sense of perpetuating this model, it should be rejected by Third World countries. Allies of the Third World in the North should also press for the **abandonment** of conditional aid. It is necessary to recognise, however, that Northern aid agencies will not abandon conditional aid in the foreseeable future.

While defending such a perspective, it is also necessary to support every attempt to reform aid, however modest, until such time as it becomes possible to end conditionality completely. It is important not to let Northern government off the hook. Although, as we have seen above, an objective reciprocal relationship exists between the working class in struggle internationally, the problem of subjectively racist, chauvinist and Northern-centric attitudes remains as a major problem in relation to developing a supportive attitude towards the Third World. What strategy should be adopted towards overcoming this problem? A government committed to a perspective of Third World solidarity would have to confront this problem, and there are obviously no immediately easy answers.

However, a strategy for changing the existing attitudes must probably include the following very schematic elements.

Firstly, it is necessary to develop the efforts of those in the existing Third World groups in Britain to win to a perspective of Third World solidarity the minority, described above, of socially and politically aware activists: those who can empathise with the plight of the Third World; those who may be able to see their own enlightened self interest also in the realisation of this perspective. Secondly, the long-term strategic task consists of assisting this stratum to engage in a struggle to raise the awareness of sufficient numbers of the mass of the population in order to neutralise the prejudices of the majority as well as to isolate politically the actively racist/chauvinist minority of the population.

What evidence is there in real life that might lead us to conclude that working-class people would be willing to dig deeper into their pockets for the Third World?

One indication is the very existence of voluntary Third World charities – the very large amounts that can be raised through the medium of television shows what might be achieved if this very powerful medium were to be made available on a consistent basis. A government genuinely committed to helping the Third World would have to attempt to legitimise an aid programme which disbursed completely untied grants without any conditionality whatsoever. Consistent access to and use of the media would be an invaluable asset in this task.

Another indication is the very existence of trades unions, working-class institutions for mutual support. The support which working-class people sometimes provide to fellow workers in dispute with employers is also important in this respect. International trades unions in the US and international trades union confederations are evidence of a desire to provide mutual support across national boundaries. The fact that this is not realised very often indicates the continuing problem of chauvinist attitudes. The actual existence of these international working-class institutions indicates, nevertheless, that there is a recognition of common interests across national boundaries, however modest.

### **Some Elements of Policy**



This concluding chapter will set out some essential elements of policy in relation to reformulating the character and direction of British aid. This will be based on the idea that attempts to reform aid in the short term can be combined with a longer-term objective of completely replacing conditional aid with non-conditional aid. Attempts to dilute conditionality, for example, do not necessarily conflict with attempts to eventually remove conditionality altogether. An attempt is made here to integrate the policy proposals from a number of development lobby and "solidarity, not aid" sources.

### 1 Quantity of Aid.

It is clear from what has been said about Third World countries avoiding conditional aid dependency where possible that demands for greater quantities of aid have to be linked to the dilution and the eventual complete removal of all conditionality. More aid without this qualification is counter-productive. In this sense the conclusion of this thesis is not anti-aid, but anti-conditionality. It is with that perspective that the following policies should be supported in relation to the quantity of aid:

- Bilaterally, a timetable should be immediately established for rapidly reaching a target level of aid equivalent to 0.7 per cent of GNP.
- Multilaterally, Britain should commit itself to the development of a universal system of automatic compensation of Third World countries for loss of income owing to external causes through a fusion and extension of the existing Stabex, Sysmin and CFF arrangements. This should be based on an index, calculated by Third World countries themselves, derived from loss of income as a result of all external causes. This should include such things as falls in export prices, increases in import prices, increases in debt servicing etc, and should be additional to normal aid allocations. The objective should ideally be to provide complete compensation. However, an agreement to compensate them for a percentage of loss of income might well result from the bargaining process, depending on the relations of forces operating internationally.<sup>332</sup>

### 2 Quality of Aid

The negative effects on the quality of the aid programme, stemming from the use of aid to bolster Britain's political and commercial interests, should be eliminated.

- The use of aid to impose economic models favoured by the North, Britain's notion of "sound" economic policy, or Britain's notion of "good government", should cease.
- The ODA should not link its aid to acceptance of the conditionality of Structural of Sectoral Adjustment Lending (SAL). A government committed to helping the Third World should oppose this type of conditional lending within the World Bank.
- Commercial influences on the aid budget should be ended. The Aid for Trade Provision (ATP) and tying of aid to UK products should be abolished. The

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<sup>332</sup>The IGBA argue, in their 1984 report, *Aid Is Not Enough* (p16), in favour of a universal export price compensatory facility. The argument which is presented in this thesis is that such a facility should be broadened to include other forms of loss of income due to external causes.

Commonwealth Development Corporation should receive the same level of scrutiny as the rest of the aid programme.<sup>333</sup>

- The ODA should abandon the "good government" policy, a form of paternalistic political conditionality which infringes the self determination of recipient governments. It is sufficient to note that, while the government of Somoza was regarded as being "good" enough to qualify for British aid, the redistributive Sandinista regime was evidently not.
- The only important consideration is whether a government has a proven track record of redistributing wealth to the poor, and whether it looks after the environment. Given the small size of Britain's aid budget, aid should be concentrated exclusively on those countries to redress the existing negative discrimination in international aid allocations.<sup>334</sup>

### 3 The Administration of Aid

In keeping with the call for the ending of political and commercial influences on the aid programme, the following measures at governmental level are necessary:

- The ODA should be reconstituted as a Ministry independent of the Foreign Office. The Minister for Overseas Development should have Cabinet status. The Select Committee on Overseas Development should be reconstituted independently of the Foreign Affairs Committee. The ODM should establish policy towards the Third World.<sup>335</sup>

### 4 Poverty-Focussed Aid

- Demands for more poverty-focussed aid have to be seen in perspective. Compared to the negative effects of conditionality, the scope of campaigns for more poverty-focussed projects is relatively limited. Nevertheless, even small improvements such as this should be supported. Until such time that all conditionality can be removed, it is necessary to choose between less satisfactory options.
- A shift toward conditional programme aid and away from project aid must be rejected. Until such time as the ODA is willing to disburse non-conditional programme aid, an attempt to implement a larger and more poverty-focussed project aid sector is preferable to more conditional programme aid.
- There should be no restrictions on aid in the form of untied local costs, so that poverty-focussed projects can be implemented.<sup>336</sup>
- The ODA should massively increase projects aimed at the landless which provide income generation and employment schemes, and supply work-related skills training and access to credit.

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<sup>333</sup>Hayter, T. *Exploited Earth. Op cit*, p249.

<sup>334</sup>*Ibid*, p240.

<sup>335</sup>IGBA. *Real Aid, op cit*, p57.

<sup>336</sup>IGBA. *Real Aid, op cit*, p56.

- The ODA should vastly extend the number of rural development projects which provide basic education, primary health care, rural water supply, sanitation, housing and nutrition programmes, which presently account for only 8.8 per cent of British aid.<sup>337</sup>
- More aid should be provided without conditions through the joint funding scheme with NGOs in Britain and in the recipient countries, although there are limits to the amount of poverty-focussed NGO aid that recipient governments will tolerate without feeling threatened by it.
- The ODA should reject the World Bank rationale for Structural Adjustment Lending, which argues that raising food prices would benefit the rural food producers. This ignores the fact that the majority of the Third World rural population are either landless or have insufficient land for subsistence, and who therefore have to purchase their food. Their position, along with the urban poor, is thus made worse by higher food prices. This argument may be seen as a diversion from the need to redistribute resources and promote genuine land reform.

## 5 Gender-Focussed Aid

Ideally, aid in the form of non-conditional grants should be directed to governments with a proven track record of adopting specific measures to redistribute resources to women – generally the poorest of the poor in the Third World. Specific measures in Britain aimed at making aid more relevant to women include the following:

- The ODA should vastly increase its consultation with women's organisations and NGOs on policy in relation to women.<sup>338</sup> NGOs can be a mechanism for the, often unconscious, imposition of Northern values and interests in their own right. It is necessary for NGOs to be conscious of this problem, which stems from the fact that they are Northern institutions. A deepening of the collaborative dialogue with indigenous NGOs from the recipient country might be a way of mitigating such tendencies.
- A gender unit should be established within the ODA to generate policy in this area and oversee its implementation. Far from ghettoising gender issues within the ODA, this would provide an institutional focus for promoting gender awareness by involving interested staff from all departments in its work. It would also provide a base for initiating projects explicitly for women rather than merely responding effectively on the basis of damage limitation to projects initiated elsewhere.<sup>339</sup>
- The number of ODA Women's Advisers without additional responsibilities should continue to be greatly increased to enable proper scrutiny of projects for issues which might affect women and to initiate projects specifically aimed at women, who are a massively disadvantaged half of the Third World population.<sup>340</sup>

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<sup>337</sup>UNDP. *Human Development Report*. 1992, pp43-45.

<sup>338</sup>Mazza. *Op cit*, p53.

<sup>339</sup>*Ibid*, p53.

<sup>340</sup>*Ibid*, p53.

- A mandatory statement assessing the impact of projects on women should be included in all aid documents.<sup>341</sup>
- A very substantial special fund should be created to finance projects established by Third World women's organisations.<sup>342</sup>
- Research should be stepped up, financed by the ODA, to investigate how to increase the number of women taking up scholarships funded by the aid programme, places in the Technical Cooperation Training Programme and positions in the higher ranks of the ODA staff.<sup>343</sup>
- A timetable should be drawn up for the rapid implementation of the 1985 Nairobi Conference proposals, "Forward Looking Strategies".<sup>344</sup>
- A 50 per cent quota of women should be imposed on TCTP trainees, and more priority should be given to subjects relevant to women.<sup>345</sup>
- The ODA must recognise that the population question can only be addressed effectively by eliminating social insecurity, empowering the poor, particularly women, and providing access to education for the poor, especially for women. Access to means of birth control is obviously essential. However, it is not a solution in and of itself. In this sense this argument, presented as the primary solution to the population problem, may be seen as another evasion of the need to redistribute land, wealth and power to the poor.<sup>346</sup>
- The ODA must oppose Structural Adjustment Programmes which hit women and children disproportionately hard. Austerity hits health and welfare services, including family planning provision. The shift to cash crops means that locally-grown food becomes displaced, more scarce and more expensive. The resulting poorer family security, health and nutrition is known to affect fertility. This is another reason why the ODA should oppose Structural Adjustment Programme conditionality.

## 6 The Environment

Likewise, aid, in the form of non-conditional grants, should be ideally directed to governments with a strong record of looking after the environment. Demands made on the British government to pressure Third World governments via green conditionality should be rejected on the grounds that they are based on paternalistic and, indeed, hypocritical assumptions.

- An ODA genuinely committed to Third World development would recognise the agro-export model, which Structural Adjustment Lending conditionality promotes, leads to an intensification of the production of export goods and cash crops which create gluts of these products on the world market, followed by

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<sup>341</sup>*Ibid*, p53.

<sup>342</sup>*Ibid*, p53

<sup>343</sup>*Ibid*, p53.

<sup>344</sup>*Ibid*, p53.

<sup>345</sup>*Ibid*, p53.

<sup>346</sup>Moore Lappe, F. *Taking Population Seriously*, *op cit*, pp1-3.

price collapses. It also leads to environmental damage as natural resources are over-exploited or simply destroyed, as in the case of timber for export. Projects and programmes which cause such environmental, soil and forest destruction should therefore not be funded by the ODA.

- Multilaterally, the ODA should help establish an international convention to protect forests and participate in an international fund to compensate governments undertaking control of forest destruction.<sup>347</sup>
- An ODA genuinely committed to Third World environmental protection would recognise that redistribution of wealth in favour of the poor is central to taking the pressure off the environment.
- An ODA genuinely concerned about the problems of the Third World would recognise that destructive colonisation schemes are often an environmentally unacceptable alternative to reversing the trend towards concentration of land ownership in non-frontier agricultural regions. The ODA should provide aid to governments which undertake genuinely redistributive land reform and other redistributive measures.
- The ODA should also recognise that intensive, high-tech, green revolution agricultural methods can also be environmentally destructive, and can promote dependence on external chemical inputs. The promotion of these methods tends to benefit better-off farmers with access to sufficient good irrigated land and credit, because only they can afford to purchase the costly inputs. The perspective of increasing yields through intensive methods based on better-off farmers may be seen also as yet another diversion from redistributive measures and genuinely redistributive land reform.<sup>348</sup>
- The use of high-yield seeds in the traditional way by the selection of a small number of genotypes for general use decreases the genetic base and this, in turn, leaves them vulnerable to diseases. The ODA should greatly increase the number of "farmer participation" projects in rainfed areas where poor and marginal farmers tend to be concentrated. The use of alternative technological options to expensive high-tech inputs should be vastly extended. The use of improved varieties of the many existing traditional seeds used by farmers should also be extended in order to prevent the narrowing of the genetic base. Agricultural research and extension projects of this kind aimed at rainfed areas should be vastly expanded. Local cost restrictions should be abolished across the board to allow this expansion.<sup>349</sup>

Finally, a few words are necessary to draw out points which have emerged in the course of researching and writing this thesis. A subordinate theme of this thesis was a comparison of the records of the Labour and Conservative Governments. The main conclusions of this thesis in relation to this can be summarised as follows:

On the institutional level, the 1974-79 Labour Government did not immediately return the Minister of Overseas Development to the Cabinet status it had had at the start of the first Wilson Government in 1964. It was only when Judith Hart, Wilson's

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<sup>347</sup>Hayter, T. *Exploited Earth*. *Op cit*, pp246-248.

<sup>348</sup>Percy and Hall. *Op cit*, p13.

<sup>349</sup>Farrington, J et al. *Op cit*, p319.

most committed aid Minister was removed from that office and an agreement was reached between Wilson and the new Minister, Prentice, that he could retain his Cabinet position as a special favour, that this Cabinet status was reinstated. This could hardly be seen to be because of any priority attached to this Ministry, however, it was a deal to entice Prentice to take the job at a difficult moment. This provides one reason for the resignation of Judith Hart: she had been keen to see this Cabinet status reinstated so that Overseas Development would be given more recognition and priority, but this had been ignored by Wilson during the period of her office. It was then granted to Prentice but not because of any priority given to aid. The Labour Government thus cannot be seen as having a different institutional policy from the Conservative Government.

While it is true that the White Paper, *More Help for the Poorest*, had announced a certain change of emphasis, it was pointed out by a Conservative MP, Sir Bernard Braine, that besides a poverty focus based on need there were other, "wider" considerations, including "political and commercial factors" which would determine the destination of aid. We have seen that local cost restrictions, administrative and other problems affected the ability to implement poverty-focussed projects. Alongside this went the political deal which Judith Hart negotiated whereby a significant increase in the volume of aid was facilitated in return for the acceptance of the Aid for Trade Provision (ATP). An increase in the quantity of aid thus went alongside a deterioration in the quality of aid. For reasons already given it would be simplistic to regard a quantitative increase as progressive in the absence of a sea change in the terms on which it is given. Given that this increase went with a deterioration in the quality of aid, this is even more the case.

It would be naïve to imagine that a Labour Government could effect a substantial change in the terms on which aid is given, let alone a complete sea-change without substantial opposition from the deeply-entrenched vested interests of the export lobby and the DTI in particular. Political opposition from the Foreign Office would also be very strong. The Treasury would resist any moves likely to affect the balance of payments such as unrestricted local or recurrent costs and the abolition of tying. The same civil service exists in the ODA, DTI, the Treasury and the Foreign Office, regardless of the political complexion of the government. It exerts a strong influence over what goes on in relation to British aid. Change in emphasis may be permissible, but only within certain limits effectively dictated by these vested interests mediated through the civil service bureaucracy.

Having said that, it is clear from the summary at the end of Chapter 3 on quantitative aspects of British aid that there was a clear deprioritisation of aid in quantitative terms under Thatcher compared to the previous Labour Government. Once again, however, the Thatcherite ideological preference for scrapping aid altogether was just as unrealisable as any attempts at a fundamental reorientation of the aid programme in the direction of meeting the needs of the poorest under Labour, assuming that the desire to do so had been present (which it was not, however). Even Lord Bauer had to adopt an uncharacteristically pragmatic approach in terms of government policy, as we have seen. The extreme economic-liberals did not get their way, as Judith Hart was able to note in the Commons (see Chapter 2). The export lobby and the Foreign Office had other ideas. The Aid for Trade Provision became a vehicle for off-loading unsaleable surplus stocks of British goods that were uncompetitive on the world market. The objectives of the ATP were analysed in Chapter 2. They included, as we have seen, "facilitating entry into a new market or sector, establishing or maintaining technological links,

retaining a traditional market temporarily endangered":<sup>350</sup> In other words, very little to do with aiding the poorest. Aid was necessary for the export lobby to enter a market. Once entry was gained it became a question of staying there. That commercial need was stronger than neo-liberal ideology.

On the political level, a continuity of policy between the Labour and Conservative Governments can be seen from the fact that the Somoza regime received aid from the Labour Government in the late 1970s even though the regime was well known to be oppressive. The Conservative Government subsequently slashed the aid after the Sandinista Revolution from £250,000 in 1979 to under £50,000 in 1982.<sup>351</sup> This was in sharp contrast to the voluntary agencies, which did the opposite.

The ground for the qualitative deterioration in British official aid was in fact prepared by the policy of the previous Labour administration. The concessions to "wider" political and commercial considerations made in *More Help for the Poorest*, the agreement to allow the introduction of the ATP in exchange for a quantitative increase in aid, and projects like the Indian ships deal all paved the way for the even greater emphasis on political and commercial consideration under Thatcher. There is no escaping this fact. The comparison being made between the aid policy of the Labour and Conservative Governments in this thesis is thus, essentially, one of a continuity of policy dictated by the export lobby, the DTI and the Foreign Office.

While it is true that there was some attempt to give more attention to poverty-focussed aid in the form of rural development under the Labour Government – the Integrated Rural Development Projects (IRDPs) and appropriate technology projects and the promotion of development education in Britain – it is also true that the Conservative Government gave more attention than Labour to environmental and gender aspects of aid, particularly under Chris Patten. One reason for this, as we have seen, was the much greater public awareness of environmental and gender issues in the 1980s compared to the 1970s. Judith Hart acknowledged this fact when interviewed for this thesis. This is not a reflection, therefore, of superior Conservative policy so much as a reflection of the shift in the general climate in society. Another way of viewing this, as we have seen, and which is slightly more charitable to the Labour Government, might be to acknowledge that the perception of environmental issues shifted in this period from a desire to improve the urban environment (housing, sanitation etc) to one which recognised global environmental issues as well. The trends on tying of bilateral financial aid and loans versus grants, however, do not flatter Labour. Neither does the high percentage of cash crops in the early 1980s within agriculturally-related aid, although the most important conclusion here is that they were over-represented in this sector throughout the period being scrutinised. These trends undermine any simplistic notions about Labour's record on aid being uniformly superior to the Conservatives'.

When viewing the ocean of poverty that exists in the Third World, one is presented with a dilemma. On the one hand, most people do not like to see other people suffer and are driven by a desire to help if they can see a way to do so. On the other hand, it is clear that all sorts of problems exist in relation to official aid as it is now. Some critics of aid react to this by washing their hands of the mess, hoping thereby to absolve themselves of responsibility for the consequences of misdirected aid. Others say that it is necessary to campaign for improvements in aid in the here and now: to reform aid rather than scrap it. As has been argued above, both these

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<sup>350</sup>Clark and Teye. *Op cit*, Appendix 11, p196.

<sup>351</sup>Melrose, D. *Nicaragua: The Threat of a Good Example*. Oxford, 1985, p46.

approaches must be integrated. Third World countries should avoid resorting to Northern aid because it ties them into an economic model that is in the interests of the North – not the South. Aid is an instrument of Northern interests. However, since it is a fact that many Third World countries will misguidedly continue to use Northern aid, it is necessary also to support in the meantime campaigns for reforms in aid as it is constituted now. This is so that the aid which Third World countries are driven to accept will be shorn of as many "strings" as possible.

But there is another important reason for not being content to give Third World countries good advice about avoiding Northern aid and for campaigning for reforms. To refuse to campaign for improvements and reforms lets the Northern governments off the hook. Unless an alternative is presented whereby aid might be dispensed purely in the interests of the Third World, the allies of the Third World in the North will be failing to put the maximum pressure on Northern governments to stop using aid in a way that harms the South. This can be done in such a way that unwarranted illusions are not created in the ability or willingness of Northern government to voluntarily undertake such action. It is also important to highlight, in this regard, the fact that major concessions in relation to aid will largely result, as we have seen, from the mobilisation of the working class and the oppressed generally in the South in its own interests. The mobilisation of the working class in the North can also play an important part in this process, as we have also seen. This has been evident from the point at which official aid became a feature of the post-war scene. One important factor responsible for Marshall aid, for example, was the threat to Western capitalism posed by the expansion of the Eastern Bloc. Internal factors within Western Europe were also, of course, important in this regard. Indeed, the very existence of the welfare state in Britain and elsewhere in Western Europe may be also seen in the same light, although, again, not exclusively in terms of external threat.

It is also important not to counterpose aid to the ending of unequal trade, the cancellation of Third World debt and all the other mechanisms by which the North oppresses the South. Aid should be **additional** to measures designed to compensate for and eventually remove altogether these mechanisms of Northern oppression of the South, as was indicated in the section on alternative proposals. Aid is to help the South to "catch up" with the North, but it is of itself inadequate if the mechanisms of oppression are intact. Behind this notion of aid is a view that the North has caused the backwardness of the South. It is beyond the scope of this work to analyse this phenomenon. Such a view, however, means that non-conditional aid should continue to be a demand addressed to Northern governments: not as a substitute for ending the oppression of the Third World, but as compensation for the past actions of the North which have kept these countries in poverty and misery. To fail to do this is to let them off the hook. The resources are there in the North. They are needed in the South. It is the task of the allies of the Third World in the rich North to make sure that the poor countries get the help they need without strings.



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# Appendix 1

## Tables

**Table 1: Public Expenditure on Aid, Aid Programme, Official Development Assistance (1975-90). 1985 Constant Prices.**

	Gross Public Expenditure on Aid		Gross Aid Programme (Expenditure)		Net Official Development Assistance (ODA)		
	£ million						%GNP
	curr	const	curr	const	curr	const	
1975	454	1208	423	1125	389	1035	0.38
1976	450	1282	510	1188	462	1076	0.39
1977	612	1267	573	1186	638	1321	0.44
1978	752	1391	734	1358	763	1412	0.46
1979	939	1540	881	1445	1016	1666	0.52
1980	966	1333	853	1177	797	1100	0.35
1981	1184	1492	1060	1336	1081	1362	0.43
1982	1085	1269	1002	1172	1028	1203	1.37
1983	1174	1303	1082	1201	1062	1179	0.35
1984	1316	1382	1154	1212	1070	1124	0.33
1985	1324	1324	1177	1177	1193	1193	0.33
1986	1350	1310	1217	1180	1195	1159	0.31
1987	1295	1204	1189	1106	1168	1086	0.28
1988	1667	1450	1536	1336	1489	1295	0.32
1989	1793	1452	1635	1324	1584	1283	0.31
1990	1725	1294	1576	1182	1485	1114	0.27

Sources:

*British Aid Statistics*. Overseas Development

Administration, London:-

1973-77 p3.

1974-78 ppviii & 2.

1975-79 pviii.

1976-80 p3.

1977-81 p3.

1978-82 pviii

1979-83 ppvi & vii.

1980-84 ppvi & vii.

1981-85 ppvi and vii.

1982-86 ppv, vi & vii.

1983-87 ppv, vi & vii.

1984-88 ppv & vi.

1985-89 pvi & vii.

1986-90 pp 1, 4 and 65.

Also Woodroffe, J. *British Overseas Aid 1975-90*.

Christian Aid Information. January 1992.

All figures in British Aid Statistics are on a calendar year basis.

**Table 2: Gross Public Expenditure on Overseas Aid as a Percentage of Total Public Expenditure.**

	%
1975	0.88
1976	0.94
1977	0.99
1978	1.04
1979	1.10
1980	0.93
1981	1.01
1982	0.84
1983	0.85
1984	0.89
1985	0.84
1986	0.83
1987	0.76
1988	0.94
1989	0.94
1989	0.91
1990	0.81

Source: Derived by Woodroffe and Jones in *British Overseas Aid 1975-87*, p6; and Woodroffe, J in *British Overseas Aid 1975-90*, table 2.

**Table 3: Composition of Total Net Flows from UK to Developing Countries, 1975-87. 1985 Constant Prices.**

Year	Official Development Assistance (ODA)		Other Official Flows (OOF)		Total Private Flows		Total Flows		% GNP
	curr	const	curr	const	curr	const	curr	const	
1975	389	1036	14	37	2483	6614	2886	7687	2.78
1976	462	1075	18	42	3447	8024	3927	9141	3.19
1977	638	1322	57	118	3358	6960	4053	8401	2.83
1978	763	1412	108	200	3916	7245	4787	8857	3.03
1979	1016	1666	67	110	5277	8654	6360	10430	3.25
1980	797	1103	-71	-98	4527	6263	5253	7267	2.31
1981	1081	1359	173	217	4596	5778	5850	7354	2.32
1982	1028	1207	89	105	2463	2892	3580	4204	1.30
1983	1062	1180	137	152	2813	3125	4012	4456	1.33
1984	1070	1227	355	374	2196	2314	3621	3815	1.12
1985	1193	1193	302	302	423	423	1918	1918	0.54
1986	1195	1164	221	215	3144	3063	4561	4443	1.20
1987	1168	1083	150	139	819	760	2137	1982	0.51
1988	1489	1297	177	154	740	644	2406	2095	0.53
1989	1584	1284	279	226	-908	-736	956	774	0.19
1990	1485	1114	353	265	-4331	-3248	-2493	-1870	-0.46

Sources: Table compiled by Woodroffe and Jones.  
Op cit, from Current figures in *British Aid Statistics*:-

1973-77 p2.  
1977-81 p3.  
1978-82 p3.  
1979-83 pviii.  
1980-84 pvi.  
1981-85 pvi.  
1982-86 pvi.  
1983-87 pvi.  
1984-88 pvi.  
1985-89 pvii.  
1986-90 p3.

Constant figures derived by Woodroffe, J., in *British Overseas Aid 1975-90*. Christian Aid Information. 1992.  
All constant figures are in 1985 prices.

**Table 4: Composition of Net Private Flows. UK to Developing Countries. Constant 1985 Prices.**

	Voluntary Grants		Export Credits		Direct Investments		Bank Lending (Foreign Currencies)		Total Net Private Flows	
£m	curr	const	curr	const	curr	const	curr	const	curr	const
1975	26	69	224	597	359	956	1824	4853	2433	6474
1976	29	68	645	1503	546	1271	2725	6352	3945	9195
1977	29	60	406	842	701	1453	2171	4495	3307	6846
1978	29	54	649	1201	611	1130	3142	5811	4431	8196
1979	51	84	600	984	326	535	4300	7052	5277	8655
1980	52	72	750	1035	825	1138	2900	4022	4527	6246
1981	47	59	500	629	1149	1447	2900	3654	4596	5792
1982	58	68	865	1012	740	866	800	936	2463	2881
1983	67	74	871	967	975	1083	900	999	2813	3122
1984	105	110	415	436	1576	1655	100	105	2196	2306
1985	132	132	-226	-226	1617	1617	-1100	-1100	423	423
1986	119	116	115	112	1410	1368	1500	1456	3144	3051
1987	126	117	354	328	1839	1705	-1500	-1395	819	761
1988	132	115	-743	-647	2151	1873	-800	-696	740	643
1989	150	122	2236	1813	2406	1951	-5700	-4646	-908	-735
1990	184	138	85	64	1500	1125	-6100	-4576	-4331	-3249

\*Excluding financial subsidies.

Sources: ODA. *British Aid Statistics*:-

1975-79 p3. 1983-87 p3.  
1979-83 pxi & 3. 1984-88 p3.  
1980-84 pix & 3. 1985-89 p3  
1981-85 p3. 1986-90 p3.  
1982-86 p3.

Also: Woodroffe, J. *British Overseas Aid 1975-90*.  
Christian Aid Information. 1992, p19.

**Table 5: Bilateral/Multilateral Composition of Aid Flows.**

	Bilateral		Multilateral		Gross Total Expenditure	
	£m Constant 1985 Prices	% Gross Total Spending	£m Constant 1985 Prices	% Total Spending	Constant 1985 Prices	%
1975	812	69.8	351	30.2	1163	100
1976	876	73.2	319	26.7	1196	100
1977	803	65.9	418	34.2	1222	100
1978	1003	74.7	340	25.3	1342	100
1979	1120	72.7	422	27.4	1540	100
1980	970	72.8	364	27.3	1334	100
1981	1055	70.7	436	29.2	1492	100
1982	788	62.1	481	37.9	1269	100
1983	770	59.1	533	40.9	1303	100
1984	823	59.6	558	40.3	1382	100
1985	830	62.7	494	37.3	1324	100
1986	816	62.3	495	37.8	1310	100
1987	718	59.6	486	40.4	1204	100
1988	879	60.6	572	39.4	1450	100
1989	906	62.3	546	37.6	1598	100
1990	782	60.4	512	39.6	1294	100

Sources: ODA. *British Aid Statistics*:-

1975-79 pxi. 1983-87 px.  
1979-83 pxii. 1984-88 p4.  
1980-84 px. 1985-89 p4.  
1982-86 px. 1986-90 p4.

Also: Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989, p21; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 7.

**Table 5: Bilateral/Multilateral Composition of Aid Flows**

	Bilateral		Multilateral		Gross Total Expenditure	
	£m Current Prices	% Gross Total Spending	£m Current Prices	% Total Spending	£m Current Prices	%
1975	305	69.8	132	30.2	437	100
1976	376	73.2	137	26.7	514	100
1977	388	65.9	202	34.2	589	100
1978	542	74.7	184	25.3	726	100
1979	683	72.7	257	27.4	939	100
1980	703	72.8	264	27.3	967	100
1981	837	70.7	346	29.2	1184	100
1982	674	62.1	411	37.9	1085	100
1983	694	59.1	480	40.9	1174	100
1984	784	59.6	531	40.3	1316	100
1985	830	62.7	494	37.3	1324	100
1986	841	62.3	510	37.8	1350	100
1987	772	59.6	523	40.4	1295	100
1988	1010	60.6	657	39.4	1667	100
1989	1110	62.3	674	37.6	1793	100
1990	1042	60.4	683	39.6	1725	100

Sources: ODA. *British Aid Statistics*:-

1975-79 pxi. 1982-86 px.

1979-83 pxii. 1983-87 px.

1980-84 px. 1986-90 p4.

1981-85 px.

Also: Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989, p21; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 7.

**Table 5(a): Breakdown of Bilateral Aid. Constant 1985 prices.**

	Project Aid		ATP		Progr. Aid		Debt Cancel		Other Non-Proj		CDC Proj Loans		Total Finan. Aid	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
1975	247	30	--	--	--	--	237	29	--	--	35	4	556	69
1976	244	28	--	--	--	--	275	31	--	--	51	6	580	66
1977	209	26	--	--	--	--	256	32	--	--	39	5	540	67
1978	286	27	1	--	242	23	4	--	128	12	59	6	723	69
1979	310	28	61	5	251	22	33	3	49	4	72	6	776	69
1980	304	31	33	3	95	10	94	10	32	3	62	6	620	64
1981	408	39	42	4	87	8	92	9	28	3	86	8	741	70
1982	227	29	74	9	83	11	30	4	28	4	60	8	502	64
1983	263	34	37	5	57	7	29	4	30	4	62	8	477	62
1984	252	31	55	7	39	5	40	5	37	4	113	14	536	65
1985	238	29	42	5	47	6	40	5	70	8	79	10	516	62
1986	242	30	76	9	55	7	29	4	33	4	62	8	496	61
1987	146	20	27	4	62	9	33	5	39	5	59	8	368	51
1988	140	16	49	6	113	13	30	3	48	5	97	11	478	54
1989	154	17	41	5	151	17	21	2	33	4	122	13	523	58
1990	130	17	56	7	55	7	28	4	30	4	103	13	401	51



Continued

	Total Tech Coop		Admin Costs		Total Bilateral Aid	
	£m	%	£m	%	£m	%
1975	255	31	--	--	812	100
1976	296	34	--	--	876	100
1977	263	33	--	--	801	100
1978	283	27	--	--	1043	100
1979	305	27	39	4	1120	100
1980	308	32	41	4	969	100
1981	272	26	40	4	1054	100
1982	247	31	39	5	787	100
1983	257	33	37	5	771	100
1984	252	31	37	4	824	100
1985	278	33	36	4	830	100
1986	284	35	35	4	816	100
1987	307	43	42	6	718	100
1988	360	41	41	5	879	100
1989	343	38	41	4	906	100
1990	339	43	42	5	782	100

Sources: *British Aid Statistics*:-

1974-78, p11. 1982-86, p4.

1977-81, p4. 1983-87, p4.

1980-81, p4. 1984-88, p4.

1980-84, p4. 1985-89, p4.

1981-85, p4. 1986-90, p4.

Also: Woodroffe and Jones. *British Aid 1975-87*. London, 1989, pp12-14; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 10.

**Table 5(a): Breakdown of Bilateral Aid (Current Prices).**

	Project Aid		ATP		Progr. Aid		Debt Cancel		Other Non-Proj		CDC Proj Loans		Total Finan. Aid	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
1975	93	30	--	--	--	--	89	29	--	--	13	4	109	69
1976	105	28	--	--	--	--	275	31	--	--	22	6	249	66
1977	101	26	--	--	--	--	124	32	--	--	19	5	540	67
1978	155	27	1	--	131	23	2	--	69	12	32	6	391	69
1979	189	28	37	5	153	22	20	3	30	4	44	6	473	69
1980	220	31	24	3	69	10	68	10	23	3	45	6	449	64
1981	324	39	33	4	68	8	73	9	22	3	68	8	588	70
1982	194	29	9	9	71	11	26	4	24	4	51	8	429	64
1983	237	34	33	5	51	7	26	4	27	4	56	8	430	62
1984	240	31	52	7	37	5	38	5	35	4	108	14	510	65
1985	238	29	42	5	47	6	40	5	70	8	79	10	516	62
1986	249	30	78	9	57	7	30	4	34	4	64	8	511	61
1987	158	20	29	4	67	9	36	5	42	5	63	8	396	51
1988	161	16	56	6	130	13	35	3	55	5	112	11	549	54
1989	190	17	51	5	187	17	26	2	41	4	151	13	646	58
1990	174	17	74	7	73	7	37	4	40	4	137	13	534	51

**Table 5(a) continued: Breakdown of Bilateral Aid (Current Prices).**

	Total Tech Coop		Admin Costs		Total Bilateral Aid	
	£m	%	£m	%	£m	%
1975	96	31	--	--	305	100
1976	127	34	--	--	376	100
1977	127	33	--	--	387	100
1978	153	27	--	--	564	100
1979	186	27	24	4	683	100
1980	238	32	41	4	702	100
1981	216	26	32	4	836	100
1982	211	31	33	5	673	100
1983	232	33	33	5	695	100
1984	240	31	35	4	785	100
1985	278	33	36	4	830	100
1986	293	35	36	4	841	100
1987	331	43	45	6	772	100
1988	414	41	47	5	1010	100
1989	424	38	50	4	1119	100
1990	452	43	56	5	1042	100

Sources: *British Aid Statistics*:-

1974-78 p11.                      1982-86 p4.  
1977-81 p4.                      1983-87 p4.  
1980-81 p4.                      1984-88 p4.  
1980-84 p4.                      1985-89 p4.  
1981-85 p4.                      1986-90 p4.

Also: Woodroffe and Jones. *British Aid 1975-87*. London, 1989, pp12-14; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 10.

**Table 6: Grants/Loans Composition of Public Expenditure on Aid, 1975-90.**

	Grants		Loans		Gross Total Expenditure	
	Constant 1985 Prices	% Gross Total Spending	Constant 1985 Prices	% Gross Total Spending	Constant 1985 Prices	
	£m	%	£m	%	£m	%
1975	785	68	375	32	1163	100
1976	1009	84	189	16	1198	100
1977	1054	86	166	14	1219	100
1978	1114	83	229	17	1343	100
1979	1335	87	207	13	1540	100
1980	1187	89	146	11	1333	100
1981	1268	85	223	15	1492	100
1982	1152	91	117	9	1269	100
1983	1209	93	94	7	1303	100
1984	1233	89	151	11	1382	100
1985	1199	91	125	9	1324	100
1986	1226	94	84	6	1310	100
1987	1123	93	81	7	1204	100
1988	1334	92	116	8	1450	100
1989	1318	91	134	9	1598	100
1990	1174	91	120	9	1294	100

Sources: ODA. *British Aid Statistics*:-

1979-83 pxiii.                      1983-87 px.  
1980-84 px.                      1984-88 px.  
1981-85 px.                      1985-89 pxii.  
1982-86 px.                      1986-90 p6.

Also: Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989, p20; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 8. Christian Aid Information, p20. Figures converted into 1980 constant prices.

**Table 6: Grants/Loans Composition of Public Expenditure on Aid, 1975-90  
(Current Prices).**

	Grants		Loans		Gross Total Expenditure	
	£m current prices	% Gross Total Spending	£m	% Gross Total Spending	£m	%
1975	295	68	375	32	437	100
1976	433	84	81	16	514	100
1977	509	86	80	14	589	100
1978	602	83	124	17	726	100
1979	814	87	126	13	939	100
1980	860	89	106	11	966	100
1981	1006	85	172	15	1184	100
1982	985	91	100	9	1085	100
1983	1089	93	85	7	1174	100
1984	1174	89	144	11	1316	100
1985	1199	91	125	9	1324	100
1986	1263	94	87	6	1350	100
1987	1208	93	87	7	1295	100
1988	1534	92	133	8	1667	100
1989	1628	91	165	9	1793	100
1990	1565	91	160	9	1725	100

Sources: ODA. *British Aid Statistics*:-  
 1979-83 pxiii 1982-86 px.  
 1980-84 px. 1983-87 px.  
 1981-85 px. 1986-90 p6.

Also: Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989, p20; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 8. Christian Aid Information. London, 1992, p20.

**Table 7: Tied/Untied Elements in Total Gross Aid, 1978-90.**

	Tied Bilateral Financial Aid		Multilateral EC Aid		Bilateral Technical Cooperation		Total Tied (Max)		Total Untied (Min)		Total Gross Aid £m
	£m	%	£m	%	£m	%	£m	%	£m	%	
1978	538	38.7	83	6.0	283	20.3	904	65.0	486	35.0	1391
1979	556	36.1	194	12.6	305	19.8	1054	68.5	486	31.5	1540
1980	367	27.5	166	12.4	308	23.1	840	63.0	493	37.0	1333
1981	437	29.3	199	13.3	272	18.2	909	60.9	583	39.1	1492
1982	304	24.0	204	16.0	247	19.4	754	59.4	515	40.6	1269
1983	254	19.5	210	16.1	257	19.8	721	55.4	582	44.6	1303
1984	249	18.0	237	17.2	252	18.2	738	53.4	644	46.6	1382
1985	245	18.5	234	17.7	278	21.0	757	57.2	567	42.8	1324
1986	296	22.6	216	16.5	284	21.7	797	60.8	513	39.2	1310
1987	184	15.3	206	17.1	308	25.6	698	58.0	506	42.0	1204
1988	242	16.7	238	16.4	360	24.8	897	57.9	651	42.1	1548
1989	294	20.2	247	17.0	343	23.6	884	60.9	586	39.1	1452
1990	216	16.7	250	19.3	339	26.2	805	62.2	489	37.8	1294

Source: ODA. *British Aid Statistics*:-  
 1977-81 ppxi & 3. 1983-87 ppxi & 4.  
 1978-82 ppxiv & 4. 1984-88 ppxi & 4.  
 1979-83 ppxiv & 4. 1985-89 ppiv & 4.  
 1980-84 ppxi & 4. 1986-90 p65 & 4.

Figures converted into 1985 constant prices.

Also Woodroffe and Jones. *British Aid 1975-87*. London, 1989, p25; and Woodroffe, J. *British Aid 1975-90*. London, 1992, table 9.

Table 7: Tied/Untied Elements in Total Gross Aid, 1978-90 (Current Prices).

	Tied Bilateral Financial Aid		Multilateral EC Aid		Bilateral Technical Cooperation		Total Tied (Max)		Total Untied (Min)		Total Gross Aid	
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
1978	291	38.7	45	6.0	153	20.3	489	65.0	263	35.0	752	100
1979	339	36.1	118	12.6	186	19.8	643	68.5	298	31.5	939	100
1980	266	27.5	120	12.4	223	23.1	609	63.0	357	37.0	966	100
1981	347	29.3	158	13.3	216	18.2	721	60.9	463	39.1	1184	100
1982	260	24.0	174	16.0	211	19.4	645	59.4	440	40.6	1085	100
1983	229	19.5	189	16.1	232	19.8	650	55.4	524	44.6	1174	100
1984	237	18.0	226	17.2	240	18.2	703	53.4	613	46.6	1316	100
1985	245	18.5	234	17.7	278	21.0	757	57.2	567	42.8	1324	100
1986	305	22.6	223	16.5	293	21.7	821	60.8	529	39.2	1350	100
1987	198	15.3	222	17.1	331	25.6	751	58.0	544	42.0	1295	100
1988	278	16.7	274	16.4	414	24.8	966	57.9	701	42.1	1548	100
1989	363	20.2	305	17.0	424	23.6	1092	60.9	701	39.1	1793	100
1990	286	16.7	333	19.3	452	26.2	1073	62.2	652	37.8	1725	100

Source: ODA. *British Aid Statistics*:-

1977-81 ppxi & 3.      1983-87 ppxii & 4.  
 1978-82 ppxiv & 4.      1984-88.  
 1979-83 ppxiv & 4.      1985-89.  
 1980-84 ppxiii & 4.      1986-90 p65.

Also Woodroffe and Jones. *British Aid 1975-87*.  
 London, 1989, p25; and Woodroffe, J. *British Aid*  
 1975-90. London, 1992, table 9.

Table 8: Local Costs. 1985 Constant prices.

	Local Costs		Bilateral Aid (gross)
	£m	%	£m
1976	32.6	3.7	876.5
1977	24.8	3.1	803.2
1978	16.7	1.7	1002.5
1979	65.7	5.9	1120.1
1980	66.2	6.8	970.1
1981	99.5	9.4	1054.6
1982	79.5	10.1	788.3
1983	101.0	13.1	769.2
1984	95.5	11.6	823.2
1985	83.0	10.0	830.0
1986	61.1	7.5	815.0
1987	35.3	4.9	717.7
1988	28.7	3.3	878.5
1989	27.5	3.0	906.2
1990	12.0	1.6	759.1

Sources:

UK Memorandum to the DAC:  
 1978 para 23.  
 1979 para 13.

ODA: *British Aid Statistics*:  
 1975-79. pxi.  
 1977-81. px.  
 1980-84. px-xii.  
 1983-87. px-xii.  
 1984-88. pxii.  
 1985-89. xiv.  
 1986-90. p65.

Figures converted into 1985 constant prices. Some local costs are classified as Technical Cooperation, but are not itemised in *British Aid Statistics*.

**Table 8: Local Costs (Current Prices).**

	Local Costs		Bilateral Aid (gross)
	£m	%	£m
1976	14	3.7	376
1977	12	3.1	388
1978	9	1.7	542
1979	40	5.9	683
1980	48	6.8	703
1981	79	9.4	837
1982	68	10.1	674
1983	91	13.1	693
1984	91	11.6	784
1985	83	10.0	830
1986	63	7.5	841
1987	38	4.9	772
1988	33	3.3	1010
1989	34	3.0	1119
1990	16	1.6	1012

**Sources:**

UK Memorandum to the DAC:

1978 para 23.

1979 para 13.

ODA: *British Aid Statistics*:

1975-79. pxi. 1984-88. pxii.

1977-81. px. 1985-89. xiv.

1980-84. px-xii. 1986-90. pp 5 & 65.

1983-87. px-xii.

**Table 9: Country Distribution of UK Aid: Commitments.**

	Percentage to "poorest countries" (gross bilateral aid allocable by country)	Percentage to "poorest countries" of total project aid allocable by country
1974	59.2	69.5
1975	57.3	—
1976	65.9	78.1
1977	62.3	82.6
1978	65.0	88.7
1979	66.0	91.1
1980	59.4	88.7
1981	67.9	93.5

**Sources:**

Row 1, *British Aid Statistics* supplemented by *Fifth Report* (1980-81) from the Foreign Affairs Committee. *Minutes of Evidence*, p87.

Row 2, ODA. Quoted in *Real Aid*. Report of the Independent Group on British Aid (1982), p9.

"The poorest" are (until 1979) those countries which had in 1976 a GNP per head of less than \$280 and (after 1979) those countries which had in 1978 a GNP of less than \$320.

**Table 10: Distribution of UK Gross Bilateral Aid (Allocable by Country) by Income Group, 1979-90. 1985 Constant Prices.**

	Poorest Fifty Countries (50 countries) Estim Pop (1983) 2,262,027,000; (1989) 2,963,053,000		Other Low Income Countries (18 countries) Estim Pop (1983) 206,814,000; (1989) 88,071,000		Lower Middle Income Countries (35 countries) Estim Pop (1983) 328,983,000; (1989) 305,704,000		Upper Middle Income Countries (61 countries) Estim Pop (1983) 373,523,000; (1989) 663,313,000	
	£m	£ Per Capita	£m	£ Per Capita	£m	Per Capita Aid	£m	£ Per Capita
1979	710	0.31	41	0.20	177	0.54	53	0.15
1980	541	0.23	54	0.28	167	0.51	72	0.19
1981	578	0.25	68	0.33	131	0.40	101	0.26
1982	387	0.18	54	0.28	102	0.30	124	0.33
1983	404	0.18	72	0.34	115	0.36	51	0.13
1984	443	0.20	115	0.56	88	0.26	50	0.14
1985	427	0.19	118	0.56	74	0.26	65	0.17
1986	427	0.18	85	0.42	60	0.18	106	0.28
1987	380	0.17	77	0.37	65	0.20	47	0.13
1988	506	0.17	61	0.71	103	0.34	60	0.09
1989	542	0.18	77	0.91	73	0.24	68	0.10
1990	429	0.14	41	0.49	79	0.26	69	0.11

Sources: ODA, *British Aid Statistics*:-

1978-82 p5. 1983-87 p5.  
1979-83 p5. 1984-88 p5.  
1980-84 p5. 1985-89 p5.  
1981-85 p5. 1986-90 p5.  
1982-86 p5.

Also Woodroffe and Jones, *British Overseas Aid* 1975-87. London, 1989, p22; and *British Overseas Aid* 1975-90 1992 (table 13). Figures converted into 1985 constant prices.

**Table 10: Distribution of Gross Bilateral Aid (Allocable by Country) by Income Group, 1979-86 (Current Prices).**

	Poorest Fifty Countries (50 countries) Estim Pop 2,262,027,000.		Other Low Income Countries (15 countries) Estim Pop 206,814,000.		Lower Middle Income Countries (35 countries) Estim Pop 328,983,000.		Upper Middle Income Countries (61 countries) Estim Pop 373,523,000	
	£m	£ Per Capita	£m	£ Per Capita	£m	£ Per Capita Aid	£m	£ Per Capita
1979	433	0.19	25	0.12	108	0.33	32	0.09
1980	392	0.17	39	0.19	121	0.37	52	0.14
1981	459	0.20	54	0.28	104	0.32	80	0.21
1982	331	0.15	46	0.22	87	0.28	106	0.28
1983	364	0.16	65	0.31	104	0.32	46	0.12
1984	422	0.19	109	0.52	84	0.25	48	0.13
1985	427	0.19	116	0.56	74	0.22	64	0.19
1986	440	0.19	88	0.43	62	0.19	109	0.29
1987	409	0.18	83	0.40	70	0.21	51	0.14
1988	582	0.25	70	0.34	118	0.35	69	0.18
1989	669	0.29	95	0.46	90	0.27	84	0.22
1990	572	0.25	55	0.26	105	0.32	92	0.25

Sources: ODA, *British Aid Statistics*:-

1978-82 p5. 1983-87 p5.  
1979-83 p5. 1984-88 p5.  
1980-84 p5. 1985-89 p5.  
1981-85 p5. 1986-90 p5.  
1982-86 p5.

Also Woodroffe and Jones, *British Overseas Aid* 1975-87. London, 1989, p22.; and Woodroffe, J. *British Aid* 1975-90 London, 1992, table 13.

Table 11: Poverty-Focussed Projects by Value.

	Total capital aid committed by Projects Comm (£m at const prices)	Total sum committed on poverty-focussed projects (£m const)	Percentage of total capital aid committed on poverty- focussed projects
1974	—	—	—
1976	183.6	76.4	41.6
1977	299.4	84.2	48.1
1978	342.9	128.1	34.9
1979	237.3	187.0	78.7
1980	239.3	102.7	42.9
1981	169.3	48.1	27.2

Source: Overseas Development Administration Projects Committee Minutes. Quoted in Mosley, P. *Journal of Development Studies*, July 1981. Also quoted in IGBA. *Real Aid Report* (1982), p11.  
Figures converted into 1980 constant prices.

Table 11: Poverty-Focussed Projects by Value (Current Prices).

	Total capital aid committed by Projects Comm (£m at current prices)	Total sum committed on poverty-focussed projects (£m)	Percentage of total capital aid committed on poverty-focussed projects
1974	95.8	28.9130.2	—
1976	110.6	46.0	41.6
1977	205.1	57.7	28.1
1978	257.8	96.3	34.9
1979	202.8	159.8	78.7
1980	239.3	102.7	42.9
1981	188.1	51.2	27.2

Source: Overseas Development Administration. *Projects Committee Minutes*. Quoted in Mosley, P. *Journal of Development Studies*, July 1981. Also quoted in IGBA. *Real Aid Report* (1982), p11.

Table 12(a): Project Aid Expenditure by Economic Sector.

Projects Allocable by Economic Sector. All figures in 1985 constant prices.

	Renewable Natural Resources		Mining		Manufacturing		Energy		Construction	
	£m	%	£m	%	£m	%	£m	%	£m	%
1975	72.4	25.7	0.3	0.1	22.1	7.9	20.2	7.2	22.3	7.9
1976	62.7	18.7	16.1	4.8	26.1	7.8	78.1	23.3	4.9	1.5
1977	60.0	25.1	7.9	3.3	39.5	16.5	32.1	13.4	5.8	2.4
1978	51.6	18.5	3.0	1.1	57.9	20.8	32.9	11.8	—	1.4
1979	62.2	16.6	17.2	4.6	34.4	9.2	69.5	18.5	4.8	1.3
1980	57.7	14.6	4.1	1.2	29.0	8.2	78.0	22.0	16.1	4.6
1981	53.4	11.4	22.4	4.8	109.9	27.7	103.1	27.9	1.3	0.3
1982	46.8	14.0	2.3	0.7	82.8	24.7	117.5	35.1	1.3	0.4
1983	62.7	18.4	18.4	4.8	21.2	6.2	124.1	36.3	0.2	0.1
1984	60.7	15.5	45.2	11.6	20.9	5.4	168.9	43.2	0.1	0.0
1985	65.6	20.2	24.7	7.6	15.6	4.8	129.3	39.6	—	—
1986	67.6	19.1	54.9	15.7	5.8	1.6	98.2	28.0	1.3	—
1987	54.9	28.0	32.6	16.0	3.6	1.8	49.4	2.6	3.6	—
1988	57.6	19.5	20.5	6.9	24.1	8.1	59.9	20.3	1.2	0.4
1989	64.5	20.8	22.4	7.2	29.2	9.4	62.8	20.3	0.4	0.1
1990	47.0	16.9	28.1	10.1	33.5	12.1	67.6	24.4	6.2	2.2

**Table 12(a): Project Aid Expenditure by Economic Sector (Current Prices).****Projects Allocable by Economic Sector.**

	Renewable Natural Resources		Mining		Manufac- turing		Energy		Construc- tion	
	£m	%	£m	%	£m	%	£m	%	£m	%
1975	27.2	25.7	0.1	0.1	22.1	7.9	7.6	7.2	8.4	7.9
1976	26.9	18.7	6.9	4.8	11.2	7.8	33.5	23.3	2.1	1.5
1977	29.0	25.1	3.8	3.3	19.1	16.5	15.5	13.4	2.9	2.4
1978	27.9	18.5	1.6	1.1	31.3	20.8	17.8	11.8	—	1.4
1979	37.9	16.6	10.5	4.8	21.0	9.2	42.4	16.5	3.9	1.3
1980	37.5	14.6	3.0	1.2	21.0	8.2	56.5	22.0	11.7	4.6
1981	42.4	11.4	17.8	4.8	103.1	27.7	104.0	27.9	1.0	0.3
1982	40.0	14.0	2.0	0.7	70.8	24.7	100.5	35.1	1.1	0.4
1983	56.5	18.4	14.8	4.8	19.1	6.2	111.8	36.3	0.2	0.1
1984	57.8	15.5	43.0	11.6	19.9	5.4	160.8	43.2	0.1	0.0
1985	65.5	20.1	24.7	7.6	15.6	4.8	128.6	39.7	—	—
1986	69.1	19.3	56.6	15.7	5.8	1.6	101.2	28.0	1.3	0.4
1987	61.6	27.2	35.1	16.2	3.9	1.8	53.1	24.4	3.9	1.8
1988	66.2	19.5	23.6	6.9	22.7	8.1	68.9	20.3	1.4	0.4
1989	79.7	20.8	27.6	7.2	36.0	9.4	77.6	20.3	0.5	0.1
1990	62.6	16.9	37.5	10.1	44.6	12.1	90.1	24.4	8.3	2.2

**Table 12(b) continued: Project Aid Expenditure (Current Prices).**

	Trade, Hotels, Tourism		Transport & Communication		Financial & Miscellaneous Services		Social & Community Services		Total Allocable to Sectors
	£m	%	£m	%	£m	%	£m	%	curr.
1975	2.7	2.6	20.9	19.8	1.2	1.1	29.3	27.7	105.7
1976	1.9	1.3	42.0	29.2	1.0	0.7	18.1	12.6	143.6
1977	1.7	0.7	21.2	18.3	3.9	3.4	19.6	16.9	115.7
1978	1.4	0.9	51.9	34.4	5.7	3.8	13.1	8.7	150.8
1979	1.1	0.5	68.2	29.8	20.9	9.1	23.9	10.4	228.9
1980	0.9	0.4	101.2	39.4	6.8	2.6	18.3	7.1	256.8
1981	0.5	0.1	71.3	19.1	19.2	5.2	13.5	3.6	372.8
1982	0.3	0.1	39.3	13.7	11.1	3.9	21.1	2.4	286.1
1983	0.7	0.2	41.9	13.6	40.8	13.3	21.8	7.1	307.7
1984	0.1	0.0	43.8	11.8	2.1	0.6	44.8	12.0	372.5
1985	—	—	56.3	17.3	3.1	1.0	31.2	9.6	324.5
1986	—	—	46.7	12.9	2.1	0.6	78.2	21.6	361.0
1987	—	—	34.0	16.9	2.8	1.3	22.8	10.5	219.8
1988	4.0	1.2	80.8	23.8	29.0	8.5	38.2	11.2	339.8
1989	10.2	2.7	83.0	21.7	30.4	8.0	37.3	9.8	382.3
1990	4.5	1.2	70.3	19.0	23.7	6.4	28.4	7.7	370.0

**Sources:**ODA. *British Aid Statistics*:-

1974-78 p14. 1982-86 p11.

1977-81 p14. 1983-87 p11.

1978-82 p11. 1984-88 p11.

1979-83 p11. 1985-89 p11.

1980-84 p11. 1986-90 p4.

1981-85 p11.

Also: Woodroffe and Jones. *British Overseas Aid 1975-87*, p16 and Woodroffe, J. *British Overseas Aid 1975-90*, table 11. Christian Aid Information. Figures converted into 1985 constant prices.



Table 12(b): UK Project Aid Expenditure (continued)

	Trade, Hotels, Tourism		Transport & Communication		Financial & Miscellaneous Services		Social & Community Services		Total Allocable to Sectors		
	£m	%	£m	%	£m	%	£m	%	curr	const	
1975	7.2	2.6	50.6	19.8	3.2	1.1	78.0	27.7	105.7	281.2	100
1976	4.4	1.3	97.9	29.2	2.3	0.7	42.2	12.6	143.6	334.7	100
1977	1.7	0.7	43.9	18.3	8.1	3.4	40.6	16.9	115.7	239.5	100
1978	2.6	0.9	98.0	34.4	10.5	3.8	24.2	8.7	150.8	278.9	100
1979	1.8	0.5	111.9	29.8	34.3	9.1	39.2	10.4	228.9	374.0	100
1980	1.2	0.4	139.6	39.4	9.4	2.6	25.3	7.1	256.9	354.5	100
1981	0.6	0.1	89.8	19.1	24.2	5.2	17.0	3.8	372.8	469.8	100
1982	0.4	0.1	48.0	13.7	13.0	3.9	24.7	2.4	286.2	334.7	100
1983	0.8	0.2	46.5	13.6	45.3	13.3	24.2	7.1	307.6	341.4	100
1984	0.1	0.0	46.0	11.8	2.2	0.6	47.0	12.0	372.4	391.1	100
1985	---	---	56.3	17.3	3.1	0.9	31.2	9.5	325.8	325.8	100
1986	---	---	45.3	12.9	2.0	0.6	75.9	21.7	361.6	350.9	100
1987	---	---	34.0	16.9	2.8	1.3	21.2	10.4	217.2	201.9	100
1988	3.5	1.2	70.3	23.8	25.2	8.5	33.2	11.2	339.8	295.6	100
1989	8.3	2.7	67.2	21.7	27.6	8.0	30.2	9.8	382.3	309.6	100
1990	3.4	1.2	52.7	19.0	17.8	6.4	21.3	7.7	370.0	277.6	100

## Sources:

ODA, *British Aid Statistics*:-

1974-78 p14.      1982-86 p11.  
 1977-81 p14.      1983-87 p11.  
 1978-82 p11.      1984-88 p11.  
 1979-83 p11.      1985-89 p11.  
 1980-84 p11.      1986-90 p4.  
 1981-85 p11.

Also: Woodroffe and Jones, *British Overseas Aid 1975-87*, p16 and Woodroffe, J. *British Overseas Aid 1975-90*, table 11. Christian Aid Information. Figures converted into 1985 constant prices.

Table 13: Expenditure on UK Agriculturally-Related Projects in Africa South of the Sahara. Constant 1980 Prices.

Sector	1979	1980	1981	1982	1983	1984
<u>Projects of Direct Benefit to Agriculture.</u>						
Crop Production	21	86	71	4	—	237
Livestock	102	779	249	210	197	165
Fertilisers	—	—	—	—	396	—
Farm Equipment	389	78	4	7	—	—
Seeds	1751	87	11	4	—	—
Cereals	—	—	—	—	—	—
Sugar	1963	4752	1648	941	2339	847
Coffee/Cocoa/Tea	2727	3859	2594	1467	778	828
Oil Products	3358	987	1798	360	1570	458
Tobacco	597	230	—	—	—	—
Rubber	105	3800	3615	2458	3277	3158
Agric. Services	349	356	211	191	170	32
Hunting/Trapping	—	20	5	—	—	—
Agric. Development	2970	2084	1733	1724	2002	3721
Agric. Research	262	289	153	158	82	151
Livestock Research	—	—	—	—	198	115
Agro-Industries	—	—	—	225	—	—
Agro-Related Educ.	338	51	14	47	208	66
Agric. Extension	7	70	452	290	218	17
Livestock Services	2195	787	309	460	274	334
Total Agric. and Livestock	7158	16318	12865	8547	11709	10128
Forestry Development	1421	2147	2283	2347	1552	1000

Continued

Fishing Boats & vessels	117	—	—	—	—	—
Fishing Equipment	—	118	151	5	7	—
Fishing Development	345	243	83	29	14	37
Fishing Services 376	235	20	29	—	—	—
Fishery Research	9	11	5	—	—	—
<b>Total Fishing</b>	<b>847</b>	<b>606</b>	<b>259</b>	<b>39</b>	<b>21</b>	<b>37</b>
Agric. Water Resources	1883	1634	2300	888	1613	643
Land Development/Reclamation	878	350	270	191	194	172
Land Settlement/Compensation	1525	929	1918	4007	2354	1490
Land Survey	268	17	104	—	163	212
<b>Total Land Development and Irrigation</b>	<b>4554</b>	<b>2930</b>	<b>4591</b>	<b>5085</b>	<b>4325</b>	<b>2519</b>
<b>Rural Development</b>	<b>1694</b>	<b>1741</b>	<b>2385</b>	<b>2062</b>	<b>1494</b>	<b>585</b>
<b>Agricultural Processing</b>						
Meat Preserving	—	—	—	—	—	—
Fruit/Veg Preserving	39	18	—	—	—	—
Sugar Refineries	2075	3636	875	15	1028	1870
Animal Feeds	—	18	84	3	—	10
Tea/Coffee/Cocoa	1282	105	—	—	—	—
Wood & Wood Products	—	—	1279	—	—	—
Sawmills	454	56	8	32	—	—
Tobacco	585	—	—	—	—	—
Textile Fibres	63	—	—	—	—	—
Paper & Paper Products	—	—	—	—	—	—
<b>Total Agricultural Processing</b>	<b>4478</b>	<b>3874</b>	<b>2247</b>	<b>189</b>	<b>1028</b>	<b>7850</b>
Agric. Coops	—	27	—	—	—	—
Agric. Storage	1728	848	646	643	4	93
Cold Storage	—	—	—	—	61	36
Fishery Cold Storage	1460	93	17	—	—	—
<b>Total Agric. Storage</b>	<b>3188</b>	<b>941</b>	<b>664</b>	<b>643</b>	<b>65</b>	<b>129</b>
<b>Agric. Dev. Banks</b>	<b>—</b>	<b>113</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Direct Benefit</b>	<b>33338</b>	<b>30655</b>	<b>25292</b>	<b>18911</b>	<b>20194</b>	<b>22246</b>
<b>Projects of Indirect Benefit to Agriculture</b>						
Rural Roads Infrastructure	5258	15548	18468	14206	20729	15465
Rural Electrification	—	50	34	—	194	—
Rural Water Supply	1392	1609	1387	1055	440	493
Rural Housing	495	78	40	97	—	—
Rural Clinics/Dispensaries	170	122	287	33	32	—
<b>Total Indirect Benefit</b>	<b>6250</b>	<b>17407</b>	<b>20177</b>	<b>15390</b>	<b>13498</b>	<b>15957</b>
<b>Grand Total Agric-related Project Aid</b>	<b>40652</b>	<b>48062</b>	<b>45470</b>	<b>34302</b>	<b>41589</b>	<b>38204</b>
<b>Share of all Project Aid (%)</b>	<b>41.2</b>	<b>57.4</b>	<b>n.a.</b>	<b>48.9</b>	<b>40.1</b>	<b>44.4</b>

Source: ODA Statistics Department. Quoted in APGOOD Report. *UK Aid to African Agriculture*, 1985, pp56-7. Figures converted into 1980 prices for this thesis. Original figures were in current prices.

**Table 14: Selected UK Sub-Sectoral Expenditure Shares of Agriculturally-Related Project Aid to Sub-Saharan Africa 1979-84. 1980 Constant Prices.**

Sector	£000s	1979	1980	1981	1982	1983	1984
<u>Rubber/Paper/Cash-Crops.</u>							
Tobacco		597	230	--	--	--	--
Rubber		105	3600	3615	2458	3277	3158
Tobacco		585	--	--	--	--	--
Processing							
Paper and							
Paper Products		--	--	--	--	--	--
Sugar		1963	4752	1648	941	2339	847
Coffee/Cocoa/Tea		2727	3859	2594	1467	778	828
Sugar Refineries		2075	3636	875	154	1028	1870
Tea/Coffee/Cocoa processing		1262	105	--	--	--	--
Total Rubber/Paper/Cash Crops		9314	16382	8732	5020	7422	8703
Percent of Agric-related Project Aid		22.9	35.4	19.1	14.6	17.9	33.2
<u>Livestock:</u>							
Livestock		102	779	249	210	197	165
Livestock Research		--	--	--	--	198	115
Livestock Services		2195	787	309	460	274	334
Total Livestock		2297	1566	558	670	669	614
Percent of Agric-related Project Aid		5.6	3.3	1.2	2.7	1.6	1.6
<u>Roads:</u>							
Rural Roads Infrastructure (total)		5256	15548	16468	14206	20729	15465
Percent of Agric-related Project Aid		12.9	32.4	40.6	41.4	49.8	40.5
<u>Rural Water Supply:</u>							
Rural Water supply (total)		1392	1609	1367	1055	440	493
Percent of Agric-related Project Aid		3.4	3.4	3.0	3.0	1.1	1.3
Total Agric-related Project Aid		40652	48062	45470	34302	41589	38204

Source: ODA Statistics Department. Quoted in APGOOD Report. *UK Aid to African Agriculture*. 1985, pp56-7. Figures converted into 1980 prices for this thesis. Original figures were in current prices.

**Table 15: Expenditure on Agriculturally-Related Sectors of UK Project Aid to All Developing Countries. Current Prices with 1985 Constant Prices for Sub-Totals.**

Sub-Sector £000s	1980	1981	1982	1983	1984
<b>Direct Benefit</b>					
Agriculture and Livestock	22569	22893	19067	39606	41708
Forestry Development	2805	3181	4145	3592	5155
Fishing	2068	2033	240	435	743
Land Development and Irrigation	8103	11189	12418	9872	7614
Rural Development	16232	3328	4107	3182	3183
Agricultural Processing	9032	6632	4417	3837	11856
Agricultural Storage	2048	1892	1557	127	333
Agricultural Development Banks	113	11600	10500	39950	—
<b>Sub-Total: Current</b>	<b>62966</b>	<b>52628</b>	<b>58451</b>	<b>100401</b>	<b>70592</b>
<b>Constant 1985</b>	<b>86887</b>	<b>66318</b>	<b>95732</b>	<b>111433</b>	<b>74132</b>
<b>Indirect benefit:</b>					
Rural Roads Infrastructure	1268	770	1892	2175	615
Rural Electrification	51	38	—	246	—
Rural Water Supply	1609	1518	1246	557	742
Rural Housing	2269	49	9159	5313	24768
Rural clinics/dispensaries	122	297	39	40	—
<b>Sub-Total: Current</b>	<b>5319</b>	<b>2672</b>	<b>12336</b>	<b>8331</b>	<b>26125</b>
<b>Constant 1985</b>	<b>7340</b>	<b>3367</b>	<b>20920</b>	<b>9246</b>	<b>27435</b>
<b>Direct benefit:</b>					
<b>Grand Total: Current</b>	<b>68285</b>	<b>55298</b>	<b>68787</b>	<b>108774</b>	<b>96717</b>
<b>Constant 1985</b>	<b>94228</b>	<b>69683</b>	<b>116652</b>	<b>120726</b>	<b>101568</b>
<b>Total Proj. Aid (£m) Allocable by Sector</b>	<b>260</b>	<b>400</b>	<b>287</b>	<b>308</b>	<b>373</b>
<b>Share of all Project aid (%)</b>	<b>26.2</b>	<b>13.8</b>	<b>24.0</b>	<b>35.3</b>	<b>25.9</b>

Continued

Sector	1985	1986	1987	1988
<b>Direct benefit:</b>				
Agriculture & Livestock	50209	36876	36415	43830
Forestry Development	5888	13281	7487	6579
Fishing	997	592	434	1010
Land Development and Irrigation	6828	17459	12479	11335
Rural Development	2432	1500	3703	2334
Agricultural Processing	2021	1348	961	10177
Agricultural Storage	1065	203	65	693
Agricultural Development Banks	5	—	—	—
Sub-Total: Current	69445	71259	81524	75958
Constant 1985	69445	69148	57200	66070
<b>Indirect benefit:</b>				
Rural Roads	1115	2768	523	808
Infrastructure	—	—	—	1245
Rural Electrification	—	—	—	2645
Rural Water Supply	1280	53918	7601	7578
Rural Housing	3614	3037	3064	7
Rural clinics/dispensaries	580	284	45	—
Sub-Total: Current	6589	13478	11233	12283
Constant 1985	6589	13079	10444	10684
Grand Total: Current	76034	84737	72757	88241
Constant 1985	76034	82226	67644	76754
Total Project Aid Allocable by Sector (£m)	328	362	219	296
Share of all Project Aid (%)	23.3	23.4	33.2	29.8

Source: *Projects by Sector: Allocations and Expenditure* editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88.  
Unpublished Internal ODA statistical printout.

**Table 16(i): Share of Cash Crops in Agriculture and Livestock Sector of UK Project Aid Expenditure to All Developing Countries 1980-88. Current and Constant 1985 Prices for Totals.**

Sub-Sector	1980	1981	1982	1983	1984	1985
Tobacco	2300	--	--	--	--	--
Rubber	4837	4622	4735	8255	6258	7577
Coffee/Cocoa/Tea	4412	4109	3948	4431	5425	9337
Sugar	6438	7483	3076	4351	7584	5667
Oil Products (Inc Palm Oil)	1053	1998	791	8107	8469	8141
Fibre crops (Inc cotton)	--	--	--	--	--	--
Total: Current Prices	19040	18212	11529	29146	27736	30722
1985 Constant Prices	26274	22950	13484	27909	29127	30722
Total Agriculture and Livestock Sub-Sector	22569	22693	19067	39807	41708	50209
Tobacco/Rubber/Coffee Tea/Cocoa/Sugar/Oil Products & Fibre Crops as % of Total Agriculture and Livestock Sub-Sector	84.3	89.1	60.4	63.5	66.5	61.2
Cereals	--	--	--	--	--	--
Livestock	899	276	1000	410	585	1437
Total: Current	899	276	1000	410	585	1437
1985 Constant	1241	348	1170	455	614	1437
Percent Total Agriculture and Livestock Project Aid (alloc. by sector)	4.0	1.2	5.2	1.0	1.4	2.9

Continued

Sector	1986	1987	1988	1989	1990	1991
Tobacco	--	--	--	--	771	--
Rubber	6620	7225	5393	6239	7156	2395
Sugar	3441	2425	374	--	2330	5720
Coffee/Cocoa/Tea	5900	5329	10930	9106	6384	5127
Oil Products (Inc Oil Palm)	7621	8492	8549	8500	6948	10064
Fibre Crops (Inc Cotton)	708	533	1032	87	15	1756
Total: Current	24290	22004	24278	23942	23604	25062
1985 Constant	23570	20457	21117	19388	17705	--
Total Agriculture and Livestock Sub-sector (Curr)	36878	36415	45043	46353	39221	54452
Tobacco/Rubber/Sugar/Tea/Coffee/Cocoa/Oil Products & Fibre Crops as % of Total Agriculture and Livestock Sub-Sector	65.9	60.4	53.9	51.6	60.2	46.0
Cereals	334	--	71	--	--	--
Livestock	2803	5222	4751	6606	850	374
Total: Current	3137	5222	4822	6606	850	37.4
1985 Constant	3044	4855	4194	5350	638	--
Percent of Agriculture and Livestock Project Aid	8.5	14.3	10.7	14.2	2.1	0.7

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88. Unpublished internal ODA statistical printout. Supplemented by figures from ODA Statistics Department obtained specifically for this thesis (figures for years 1989-91). The figures for Livestock in the years 1989-91 include wildlife conservation whereas prior to these years they do not, owing to a change in ODA statistical categories.

**Table 16(ii): Comparison of Share of Cash Crops In Agriculture and Livestock Sector of UK Project Aid, Technical Cooperation and Programme Aid Expenditure to All Developing Countries, 1980-88. Current and Constant 1985 Prices for Totals.**

Sector	1988	1989	1990	1991
<b>Project Aid</b>				
Tobacco	—	—	771	—
Rubber	5393	6239	7156	2395
Sugar	374	—	2330	5720
Coffee/Cocoa/Tea	10930	9106	6384	5127
Oil Products (incl Oil Palm)	6549	8500	6948	10064
Fibre Crops (incl Cotton)	1032	97	15	1756
<b>Total: Current</b>	<b>24278</b>	<b>23942</b>	<b>23604</b>	<b>25062</b>
<b>Constant</b>	<b>21117</b>	<b>19388</b>	<b>17706</b>	<b>—</b>
Total Agriculture and Livestock Sector Project Aid	45043	46353	38221	54452
Tobacco/Rubber/Sugar/Tea/Coffee/Cocoa/Oil Products/Fibre Crops as % of Total Agriculture and Livestock Project Aid	53.9	51.6	60.2	46.0
<b>Cereals</b>	<b>71</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Livestock</b>	<b>4751</b>	<b>6606</b>	<b>850</b>	<b>374</b>
<b>Total: Current</b>	<b>4822</b>	<b>6606</b>	<b>850</b>	<b>374</b>
<b>1985 Constant</b>	<b>4184</b>	<b>6360</b>	<b>638</b>	<b>—</b>
Percent Cereals/Livestock of Agriculture and Livestock Project Aid	10.7	14.2	2.1	0.7
<b>Technical Cooperation</b>				
Tobacco	43	42	11	10
Rubber	1	—	—	—
Sugar	480	476	672	417
Coffee/Cocoa/Tea	1256	1549	2402	3482
Oil Products (incl Oil Palm)	722	736	1399	1455
Fibre Crops (incl Cotton)	289	335	171	123
<b>Total: Current</b>	<b>2791</b>	<b>3138</b>	<b>4655</b>	<b>5487</b>
<b>Constant</b>	<b>2428</b>	<b>2641</b>	<b>3492</b>	<b>—</b>
Total Agriculture and Livestock Sector Tech. Coop. (Current)	34378	34185	38824	37523
Percent Tobacco/Rubber/Sugar/Coffee/Cocoa/Tea/Oil Products and Fibre Crops, Crops of Agriculture and Livestock Tech Coop.	8.1	9.2	12.0	14.6
<b>Cereals</b>	<b>253</b>	<b>542</b>	<b>610</b>	<b>243</b>
<b>Livestock</b>	<b>299</b>	<b>291</b>	<b>612</b>	<b>989</b>
<b>Total: Current</b>	<b>552</b>	<b>833</b>	<b>1222</b>	<b>1232</b>
<b>1985 Constant</b>	<b>480</b>	<b>674</b>	<b>916</b>	<b>—</b>
Percent Cereals/Livestock of Agriculture and Livestock Tech. Coop.	1.6	2.4	3.1	3.3



Continued

<b>Programme Aid</b>				
Tobacco	--	--	--	--
Rubber	--	--	--	--
Sugar	797	492	52	--
Coffee/Cocoa/Tea	730	232	33	32
Oil Products (Inc Oil Palm)	939	101	22	--
Fibre Crops (Inc Cotton)	1244	1340	93	88
<b>Total: Current</b>	<b>3710</b>	<b>2185</b>	<b>200</b>	<b>120</b>
<b>Constant</b>	<b>3227</b>	<b>1753</b>	<b>150</b>	<b>--</b>
Total Agriculture and Livestock Programme Aid	17735	12458	2919	399
Percent Above Cash Crops of Total Agriculture and Livestock Programme Aid	20.9	17.4	6.8	30.0
<b>Cereals</b>				
Livestock	986	--	--	--
<b>Total: Current</b>	<b>986</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>1985 Constant</b>	<b>858</b>	<b>--</b>	<b>--</b>	<b>--</b>
Percent Agriculture and Livestock Programme Aid	5.5	0.0	0.0	0.0
<b>Total Project Aid, Technical Cooperation and Programme Aid Devoted to:</b>				
Above Cash Crops: Current	30779	29246	28469	30889
1985 Constant	26772	23683	21350	--
Cereals/Livestock: Current	6380	7439	2072	1606
1985 Constant	6632	6024	1554	--
Total Project Aid, Technical Cooperation and Programme Aid Allocable by Sector	97158	92996	80964	92374
<b>Percent of Total Project Aid, Technical Coop and Programme Aid Devoted to:</b>				
Above Cash Crops	31.7	31.5	36.1	33.2
Cereals/Livestock	6.6	8.0	2.6	1.7

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88. Unpublished internal ODA statistical printout. Supplemented by figures from ODA Statistics Department obtained specifically for this thesis (figures for years 1989-91).

**Table 17: Share of Rubber, Paper and Selected Cash Crops in Agriculture and Livestock and Agricultural Processing Sub-Sectors of UK Project Aid Expenditure to All Developing Countries. 1980-88. Current and 1985 Constant Prices.**

Sector	1986	1986	1987	1988
Tobacco	--	--	--	--
Rubber	7577	8620	7225	5393
Sugar	9337	3441	2425	374
Coffee/Cocoa/Tea	5687	5800	5329	10861
Tobacco Processing	--	--	--	--
Paper & Paper Products/Pulp and Paperboard	299	--	--	403
Sugar Refineries	1259	489	--	96
Tea/Coffee/Cocoa Processing	--	528	133	1990
Oil Products (Inc Oil Palm)	8141	7620	6492	6549
Fibre Crops (Inc Cotton)	--	708	533	1032
<b>Total Cash Crops</b>				
Current Prices	32280	25306	22137	26698
<b>1985 Constant Prices</b>	<b>32280</b>	<b>24686</b>	<b>20881</b>	<b>23223</b>
<b>Total Agriculture and Livestock &amp; Agricultural Processing Sub-Sectors</b>	<b>52230</b>	<b>38224</b>	<b>37376</b>	<b>54007</b>
<b>Rubber, Paper and Cash Crops as Percentage of Total Agriculture and Livestock &amp; Agricultural Processing Sub-Sectors</b>	<b>62.0</b>	<b>66.2</b>	<b>58.2</b>	<b>49.4</b>

Sub-Sector	1980	1981	1982	1983	1984
Tobacco	2300	--	--	--	--
Rubber	4837	4622	4735	8255	6258
Coffee/Cocoa/Tea	4412	4109	2904	4431	5425
Sugar	6438	7483	3099	4353	7584
Tobacco Processing	--	--	--	--	--
Paper & Paper Products/Pulp & Paperboard	3051	3280	768	111	8158
Sugar Refineries	3718	1033	335	2576	2530
Tea/Coffee/Cocoa processing	105	--	--	--	--
Oil Products (Inc Oil Palm)	1053	1998	791	8107	8489
Fibre Crops (Inc Cotton)	--	--	--	--	--
<b>Total Cash Crops: Current Prices</b>	<b>25914</b>	<b>22505</b>	<b>12632</b>	<b>27831</b>	<b>38424</b>
<b>1985 Constant Prices</b>	<b>35345</b>	<b>28359</b>	<b>14774</b>	<b>30889</b>	<b>40361</b>
<b>Total Agriculture and Livestock &amp; Agricultural Processing Sub-Sectors</b>	<b>31601</b>	<b>29325</b>	<b>23484</b>	<b>43444</b>	<b>53564</b>
<b>Rubber, Paper and Cash Crops as Percentage of Agriculture and Livestock and Agricultural Processing Sectors</b>	<b>82.0</b>	<b>76.7</b>	<b>53.8</b>	<b>64.1</b>	<b>77.7</b>

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88. Unpublished internal ODA statistical printout.

**Table 18: Share of Roads, Rubber, Paper and Selected Cash Crops in UK Agriculturally-Related Project Aid Expenditure. Current and 1985 Constant Prices.**

Sub-Sector	1980	1981	1982	1983	1984
Tobacco	2300	—	—	—	—
Rubber	4837	4622	4735	8255	6258
Coffee/Cocoa/Tea	4412	4109	2904	4431	5425
Sugar	6438	7483	3099	4353	7584
Tobacco Processing	—	—	—	—	—
Paper & Paper Products/Pulp & Paperboard	3051	3280	788	111	8158
Sugar Refineries	3718	1033	335	2576	2530
Tea/Coffee/Cocoa processing	105	—	—	—	—
Rural Roads Infrastructure	1268	770	1892	2175	815
Oil Products (Inc Oil Palm)	1053	1998	791	8107	8469
Fibre Crops (Inc Cotton)	—	—	—	—	—
Textile Fibres	986	7241	4005	1000	462
Total: Current Prices	28168	30518	18529	31008	39501
1985 Constant Prices	38870	38454	21671	34415	41482
Total Agriculturally-related Project Aid	68285	55298	68787	108774	96717
Roads Rubber Paper and Cash Crops as Percentage of Total Agriculturally-related Project aid	41.3	55.2	26.9	28.5	40.8

Sector	1986	1988	1987	1989
Tobacco	—	—	—	—
Rubber	7577	6620	7225	5393
Sugar	9337	3441	2425	374
Coffee/Cocoa/Tea	5667	5900	5329	10861
Tobacco Processing	—	—	—	—
Paper & Paper Products/Pulp and Paperboard	299	—	—	403
Sugar Refineries	1259	489	—	96
Tea/Coffee/Cocoa processing	—	528	133	1990
Rural Roads Infrastructure	1115	2768	523	808
Oil Products (Inc Oil Palm)	8141	7620	6492	6549
Fibre Crops (Inc Cotton)	—	708	533	1032
Textile Fibres	3450	400	17	1440
Total: Current Prices	36848	28474	22677	28946
1985 Constant Prices	36848	27830	21083	25178
Total Agriculturally-related Project Aid	76034	84737	72757	88241
Roads, Rubber/Paper/Coffee/Tea/Cocoa/Sugar & Tobacco-related Projects as a Percentage of Total Agriculturally-related Project Aid	48.4	33.6	31.2	32.8

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88. Unpublished Internal ODA statistical printout.

**Table 19(a): UK Agriculturally-Related Project Aid Minus Roads and Selected Cash-Crops as a Percentage of Total Project Aid Expenditure (Current Prices).**

	1980	1981	1982	1983	1984
1. Total Agriculturally-related Project Aid	68285	55298	68787	108774	96717
2. Total Rubber/Paper/Coffee/ Tea/Cocoa/Sugar/Tobacco/Oil Products/Fibre Crops/Textile Fibres & Rural Roads-Related Projects	28168	30516	18529	31008	39501
1 minus 2	40117	24782	50258	77766	57216
Total Proj Aid (£m) Allocable by Sector	260	400	287	308	373
Total Agriculturally-related Project Aid Minus Rubber/Paper/Roads & Selected Cash Crops as Percentage of Total Project Aid	15.4	6.2	17.5	25.2	15.3

	1985	1986	1987	1988
1. Total Agriculturally-related Project Aid	76034	84737	72757	86241
2. Total Rubber/Paper/Tobacco/ Coffee/Tea/Cocoa/Sugar & Rural Roads	36848	28474	22877	28946
1 minus 2	39186	56263	50080	59295
Total Project Aid Allocable by Sector (£m)	327	362	219	396
Total Agriculturally-related Project Aid Minus Rubber/Paper/Roads & Selected Cash Crops as Percentage of Total Project Aid	12.0	15.5	22.9	20.0

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88.  
Unpublished Internal ODA statistical printout.

**Table 19(b): Share of Expenditure on Cereals, Agricultural Development and Farmer Services in Agriculturally-Related Project Aid to All Developing Countries. Current Figures with 1985 Constant Figures for Sub-Totals.**

	1980	1981	1982	1983	1984
Cereals	--	--	--	--	--
Agricultural Development	2090	1925	4503	3094	4924
Seeds	87	12	5	--	--
Agricultural Development Banks	113	11800	10500	39950	--
Agricultural Coops	27	--	--	--	--
Agricultural Storage	1953	1973	1557	51	287
Agricultural Research	289	170	187	103	200
Agricultural Extension	70	502	1658	2496	2878
Agricultural Services	357	234	228	214	42
Agricultural Education	51	15	56	264	87
Livestock Services	881	344	547	326	442
Livestock Research	--	--	--	251	151
Total: Current	5918	16775	19241	46749	8981
Constant 1985	8166	21139	32630	51886	9431
% Total Agriculturally-related Project Aid	6.6	30.3	28.0	43.0	9.2
Total Agriculturally-related Project Aid	68285	55298	68787	108774	96717

	1985	1986	1987	1988
Cereals	--	334	--	71
Agricultural Development	7997	3270	415	172
Seeds	--	191	75	2888
Agricultural Development Banks	5	--	--	--
Agricultural Coops	--	--	--	--
Agricultural Storage	1065	203	65	397
Agricultural Research	34	79	--	41
Agricultural Extension	2373	1885	1415	539
Agricultural Services	--	91	67	29
Agricultural Education	--	--	--	--
Livestock Services	442	--	--	--
Livestock Research	56	104	--	18
Total: Current	11972	6157	2037	4155
Constant 1985	11972	5975	1894	3614
% Total Agriculturally-related Project Aid	15.8	7.2	2.8	4.7
Total Agriculturally-related Project Aid	76034	84737	72757	88241

Source: *Projects by Sector: Allocations and Expenditure*. Editions 1980-84, 1981-85, 1982-86, 1983-87, 1984-88.  
Unpublished Internal ODA statistical printout.

**Table 20: Shares of Primary Education, Primary Health as Percentage of Total Education and Health Sectors of Project Aid (Current Prices).**

Primary Education						
Sector	£000s	1980	1981	1982	1983	1984
Primary Education		171	419	119	128	614
Total Education		2253	3536	2272	949	2513
Percent. Primary Education of Total Education		7.6	11.9	5.2	13.5	24.4

Sector		1985	1986	1987	1988
Primary Education		384	509	723	507
Total Education		1428	3466	5058	5457
Percent. Primary Education of Total Education		7.2	14.6	14.3	8.3

Primary Health Including Family Planning						
Sector		1980	1981	1982	1983	1984
Primary Health (inc Family Planning)		4134	720	1868	4194	2939
Total Health (inc Family Planning)		5338	1205	3749	5728	4929
Percent. Primary Health of Total Health		77.4	59.8	49.8	73.2	59.6

Sector	1985	1986	1987
Primary Health (inc Family Planning)	3586	2041	752
Total Health (inc Family Planning)	4467	5512	4270
Percent. Primary Health of Total Health (inc Family Planning)	80.2	37.0	17.6

Primary Health Excluding Family Planning.					
Sector	1980	1981	1982	1983	1984
Primary Health (exc Family Planning)	3248	437	39	401	192
Total Health (exc Family Planning)	4452	922	1920	1937	2182
Percent. Primary Health of Total Total Health (exc Family Planning)	73.0	47.4	2.0	20.7	8.8

Sector	1985	1986	1987
Primary Health (exc Family Planning)	1147	521	66
Total Health (exc Family Planning)	2028	3992	3584
Percent. Primary Health of Total Health (inc Family Planning)	56.5	13.1	1.8

Source: *Projects by Sector: Allocations and Expenditure* (unpublished ODA Internal Statistical Printout). Primary Education in editions: 1980-84, p56; 1981-85, p59; 1982-86, p64; 1983-87, p58; 1984-88, p59. Family Planning figures also from the above printout in editions: 1980-84 p60, 1981-85 p63, 1982-86, p69; 1983-87, p62; 1984-88, p63. Primary health figures have hitherto not been published. Neither were they disaggregated in the ODA's internal printout, *Projects by Sector: Allocations and Expenditure*. They were elicited for the purpose of this thesis through a parliamentary written question put on behalf of the writer by Jim Lester MP. The figures were subsequently published, for the first time as far as is known, in *Hansard*, 21. 2. 92.

**Table 21: Percentage Family Planning of Primary Health Project Aid. Current Prices.**

	Primary Health (current prices)	Of Which Family Planning (current prices)	Percent Family Planning of Total Primary Health
1980	4134	886	21.4
1981	720	283	39.3
1982	1868	1829	97.9
1983	4195	3794	90.4
1984	2939	2747	93.5
1985	3586	2439	68.0
1986	2041	1520	74.5
1987	752	686	91.2

Source: Family Planning figures from unpublished ODA internal statistical printout: *Projects by Sector Allocations and Expenditure*. Editions: 1980-84, p60; 1981-85, p63; 1982-86, p69; 1983-87, p62; 1984-88 p63. Primary health figures have hitherto not been published. Neither were they disaggregated in the ODA's internal printout, *Projects by Sector: Allocations and Expenditure*. They were elicited for the purpose of this thesis through a parliamentary written question put on behalf of the writer by Jim Lester MP. The figures were subsequently published, for the first time as far as is known, in *Hansard* 21 February 92.

**Table 22: Selected Human Development-Related Sub-Sectors of Social and Community Services Sector as Percentage of Total Project Aid Allocable by Sector.**

	Primary Education (inc Family Planning)	Primary Health	Rural Water Supply	Sanitation	Housing	Total Project Aid (alloc by sector)	%
	£000	£000	£000	£000	£000	£m	
1980	171	4134	1609	29	2289	260	3.2
1981	419	720	1518	408	49	400	0.8
1982	119	1868	1246	8287	9158	287	7.2
1983	128	4195	557	500	5313	308	3.4
1984	614	2939	742	5588	24766	373	9.2
1985	384	3586	1280	11178	3814	327	6.2
1986	509	2041	53918	8094	3037	362	20.7
1987	723	752	7601	594	3068	219	5.2

Source: *Projects by Sector: Allocations and Expenditure*. Unpublished ODA Internal Statistics Printout. Primary Education: 1980-84, p56; 1981-85, p59; 1982-86, p64; 1983-87, p58; 1984-88, p59. Rural Water Supply: 1980-84, p52; 1981-85, p55; 1982-86 p59., 1983-87, p67; 1984-88, p54. Sanitation: 1980-84, p53; 1981-85, p56; 1982-86, p60; 1983-87, p55; 1984-88, p58. Housing: 1980-84, p54; 1981-85, p57; 1982-86, p62; 1983-87, p56; 1984-88, p57. Figures on primary health which are not included in ODA statistics were obtained from Parliamentary Question in House of Commons put by Jim Lester MP on behalf of author of this thesis. See *Hansard*, 28.3.91.

**Table 23: Britain's Contribution to IDA Replenishments.**

	UK % of Total Replenishment	Percentage Change
1975 (IDA 4)	11.1	—
1978 (IDA 5)	10.6	-0.5
1981 (IDA 6)	10.1	-0.5
1984 (IDA 7)	6.5	-3.6
1987 (IDA 8)	(6.5)	

Source: OECD. *Development Cooperation*. 1975-86.

**Table 23: Britain's Contribution to IDA Replenishments (Current Prices).**

	UK % of Total Replenishment	Percentage Change
1975 (IDA 4)	11.1	—
1978 (IDA 5)	10.6	-0.5
1981 (IDA 6)	10.1	-0.5
1984 (IDA 7)	6.5	-3.6
1987 (IDA 8)	(6.5)	

Source: OECD. *Development Cooperation*. 1975-86.

**Table 24: Distribution of the Bilateral and EEC Multilateral Official Development Aid of the Nine by Continent.**

Annual Percentage 1972-74.

	Europe	Africa	America	Asia & Oceania
Belgium	1.8	77.3	3.7	17.2
Denmark	0.2	58.2	2.5	39.1
France	1.2	60.9	21.5	16.4
Germany	13.5	26.0	11.8	48.7
Italy	26.4	46.8	5.5	21.3
Netherlands	1.9	18.3	34.1	45.7
UK	4.6	31.5	11.1	52.8
Total	6.2	43.7	16.2	33.9
(2) Aid Via EEC Channels	0.9	69.6	6.8	22.7
All EEC Aid (1 & 2)	5.7	46.0	15.3	33.0
Total Population of Developing Countries (1973)	5.7	18.6	15.1	60.6

Source: *Geographical Distribution of the Member States Bilateral Development Assistance*. EEC Staff Paper. Quoted in World Development Movement. *The Shortcomings of EEC Aid*.

**Table 25: EDF Funding by Major Financial Category since 1975 (in Current Ecu millions).**

	Lome 1 (46 ACP countries)	Lome 2 (69 ACP countries)	Lome 3 (66 ACP countries)
	1974	1979	1984
Grants	2058	2986	4860
Soft loans	448	518	600
Risk capital	97	284	600
Stabex	360	557	925
Sysmin	—	262	415
Total EDF	2980	4627	7400

Source: Quoted in IGBA. *Missed Opportunities*. 1986, p34. Source not given.



**Table 26: Britain's Gross Contribution to the EDF and Food Aid 1975-82. (£m in 1985 constant prices; Ecu current prices)**

	£m	£m	Ecu
	Annual EDF Contribution	European Food Aid	Five-yearly Lome EDF Contribution
1975	—	18.7	
1976	26.7	13.1	
1977	58.1	21.5	
1978	21.8	32.1	
1979	85.4	29.1	(Lome II) 807
1980	62.2	38.8	
1981	50.4	64.5	
1982	59.6	60.9	
1983	—	—	(Lome III) 1243
1984	—	—	

Sources: *British Aid Statistics* (op cit). The 1982 row calculated in slightly different way to other rows. Quoted in IGBA. Report: *Aid Is not Enough* (op cit), (1984), p32; and *Missed Opportunities* (op cit), (1986), p36.

**Table 27: Distribution of Gross Bilateral Aid Allocated by Commonwealth Membership. 1978-90. Constant 1985 Prices.**

	Commonwealth		of which: Dependencies	
	Per Capita		Per Capita	
1978	744	0.78	48	9.06
1979	727	0.75	41	7.72
1980	641	0.65	28	5.20
1981	677	0.64	21	4.03
1982	427	0.43	26	5.26
1983	474	0.47	29	5.44
1984	508	0.51	31	6.00
1985	452	0.46	51	9.61
1986	514	0.52	45	8.44
1987	404	0.41	36	7.00
1988	496	0.37	36	6.10
1989	569	0.43	41	7.00
1990	434	0.33	23	3.90

	<b>Estimated Population Totals</b>	
1983:	988,909,000	5,304,000
	(used for years 1978-87)	
1989:	1,331,836,000	5,893,000
	(used for years 1988-90)	

**Sources:**

ODA. *British Aid Statistics*:

1978-82 p5. 1983-87 p5.

1979-83 p5. 1984-88 p5.

1980-84 p5. 1985-89 p5.

1981-85 p5. 1986-90 p5.

1982-86 p5.

Figures converted into 1980 constant prices.

Also: Woodroffe and Jones. *British Aid 1975-87*. London, 1989, p24; and Woodroffe, J. *British Overseas Aid 1975-90*. London, 1992, table 13.

**Table 27: Distribution of Gross Bilateral Aid Allocated by Commonwealth Membership, 1978-90 (Current Prices).**

	Commonwealth		of which: Dependencies	
	£m	Per Capita	£m	Per Capita
1978	402	0.41	26	4.90
1979	443	0.45	25	4.71
1980	465	0.47	20	3.77
1981	537	0.51	17	3.20
1982	365	0.37	22	4.15
1983	427	0.43	26	4.90
1984	484	0.49	29	5.47
1985	452	0.45	51	9.61
1986	530	0.54	46	8.67
1987	434	0.45	39	7.35
1988	570	0.42	41	7.00
1989	702	0.53	50	8.50
1990	579	0.43	31	5.30

<b>Estimated Population Totals</b>		
1983:	986,909,000 (used for years 1978-87)	5,304,000
1989:	1,331,836,000 (used for years 1988-90)	5,893,000

**Sources:**

ODA. *British Aid Statistics*:-

1978-82 p5.      1983-87 p5.  
 1979-83 p5.      1984-88 p5.  
 1980-84 p5.      1985-89 p5.  
 1981-85 p5.      1986-90 p5.  
 1982-86 p5.

Also: Woodroffe and Jones. *British Aid 1975-87*.

London, 1989, p24; and Woodroffe, J.

*British Overseas Aid 1975-90*. London, 1992, table 13.

**Table 28: Elements of Total Bilateral Project Aid, Total Bilateral Financial Aid and Total Bilateral Aid Accounted for by the Aid for Trade Provision (ATP) 1978-87. 1985 constant prices.**

	£m Constant Prices	% Total Bilateral Project Aid	% Total Bilateral Financial Aid	% Total Bilateral Aid
1978	2	0.6	0.3	0.2
1979	61	16.4	7.8	5.4
1980	33	9.8	5.3	3.4
1981	42	9.2	5.6	3.9
1982	74	24.5	15	9
1983	37	12.2	7.7	4.8
1984	55	17.8	10.2	6.6
1985	42	15.0	8.3	5.1
1986	76	23.9	15.3	9.2
1987	27	15.1	7.3	3.7
1988	49	24.8	10.4	5.6
1989	41	13.0	7.9	4.6
1990	56	19.2	13.9	7.1

**Sources:**

ODA. *British Aid Statistics*:-

1978-82 p4.      1983-87 p4.  
 1979-83 p4.      1984-88 p4.  
 1980-84 p4.      1985-89 p4.  
 1981-85 p4.      1986-90 p4.  
 1982-86 p4.

Figures converted into 1985 constant prices.

Also Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989; and Woodroffe, J. *British Aid 1975-90*. Christian Aid Information. London 1992.

**Table 28: Elements of Total Bilateral Project Aid, Total Bilateral Financial Aid and Total Bilateral Aid Accounted for by the Aid for Trade Provision (ATP), 1978-87 (Current Prices).**

**Aid Trade Provision (ATP)**

	Em Current Prices	% Total Bilateral Project Aid	% Total Bilateral Financial Aid	% Total Bilateral Aid
1978	1	0.6	0.3	0.2
1979	37	16.4	7.8	5.4
1980	24	9.8	5.3	3.4
1981	33	9.2	5.6	3.9
1982	63	24.5	15	9
1983	33	12.2	7.7	4.8
1984	52	17.8	10.2	6.6
1985	42	15.0	8.3	5.1
1986	78	23.9	15.3	9.2
1987	29	15.1	7.3	3.7
1988	56	24.8	10.4	5.6
1989	51	13.0	7.9	4.6
1990	74	19.2	13.9	7.1

**Sources:**

ODA. *British Aid Statistics*:-

1978-82 p4. 1983-87 p4.  
 1979-83 p4. 1984-88 p4.  
 1980-84 p4. 1985-89 p4.  
 1981-85 p4. 1986-90 p4.  
 1982-86 p4.

Also Woodroffe and Jones. *British Overseas Aid 1975-87*. London, 1989; and Woodroffe, J. *British Aid 1975-90*. Christian Aid Information. London 1992.

**Table 29: UK non-ATP Bilateral Aid, Shares of Allocable Total by Continent (percentages).**

		1977-79	1980-82	1983-84
1.	Africa	37.5	42.0	41.7
2.	Asia	46.9	40.8	43.0
3.	America	8.9	7.5	9.3
4.	Other	8.4	9.8	6.0
5.	Total	100.0	100.0	100.0

Source: Compiled by Clarke and Toye. *Op cit*, p203, from ODA. *British Aid Statistics*. 1977-84.

**Table 30: ATP Expenditure, Share of Allocable Total by Continent (percentages).**

		1977-79	1980-82	1983-84
1.	Africa	49.9	25.5	20.3
2.	Asia	48.2	36.3	58.0
3.	America	1.9	37.8	21.7
4.	Other	0.0	0.3	0.0
5.	Total	100.0	100.0	100.0

Source: Table compiled by Clarke and Toye. *Op cit*, p203, from ODA. *British Aid Statistics*. 1978-84.

**Table 31: UK non-ATP Bilateral Aid, Commonwealth and non-Commonwealth, 1978-84. £m in current prices.**

		1978-79	1980-82	1983-84
1.	To Commonwealth countries	839	1303	858
2.	To non-Commonwealth countries	216	455	300
3.	Total Bilateral (ex-Aid) Expenditure (ATP)	1055	1758	1158
4.	As % of (3)*	79.5	74.1	74.1

\*Percentages are exact, although rows 1-3 have been rounded to the nearest £1m.  
 Sources: Compiled by Toye and Clarke. *Op cit.* p203, from ODA. *British Aid Statistics 1978-84.*

**Table 32: UK ATP Expenditure, Commonwealth and non-Commonwealth 1978-84.**

		1978-79	1980-82	1983-84
1.	To Commonwealth countries	5	32	47
2.	To non-Commonwealth countries	32	88	36
3.	Total ATP Expenditure	37	120	84
4.	(1) as percentage of (3)*	14.0	26.4	56.6

\*Percentages are exact, although rows 1-3 have been rounded to the nearest £1m.  
 Sources: Compiled by Clarke and Toye. *Op cit.* p203, from ODA. *British Aid Statistics 1978-84;*  
 and ODA Statistics Department.

**Table 33: UK non-ATP Bilateral Aid, Distribution by Income Groups, 1978-84 (percentages).**

		1978-79	1980-82	1983-84
1.	Poorest 50 countries	69.2	65.4	63.7
2.	Other low income countries	6.4	7.8	14.6
3.	Lower middle income countries	17.6	16.5	15.3
4.	Upper middle income countries	6.9	10.4	6.4

Source: Table compiled by Clarke and Toye. *Op cit.* p204, from ODA. *British Aid Statistics 1978-84;*  
 and ODA Statistics Department.

**Table 34:  
 ATP Expenditure, Distribution by Income Group (percentages).**

		1978-79	1980-82	1983-84
1.	Poorest 50 countries	33.1	30.8	60.0
2.	Other low income countries	37.9	2.0	3.7
3.	Lower middle income countries	1.9	21.2	13.8
4.	Upper middle income countries	27.1	46.0	22.5

Source: Table compiled by Clarke and Toye. *Op cit.* p204, from ODA. *British Aid Statistics 1978-84;* and ODA Statistics Department.

**Table 35: UK non-ATP Aid Commitments, Grants/Loans Breakdown, 1978-84 (Current Prices).**

	1978-79	1980-82	1983-84
Loans (£million)	1,300	1,627	1,333
Grants (£million)	283	345	248
Grants as a % of total	82.1	82.5	84.3

Source: Table compiled by Clarke and Toye. *Op cit*, p204, from ODA. *British Aid Statistics 1978-84*; *British Overseas Aid 1982-4 Editions*; ODA Statistics Department.

**Table 36: ATP Aid Commitments, Grants/Loans Breakdown, 1978-85 (Current Prices)**

	1978-79	1980-82	1983-84
Grants (£million)	37.9	147.6	81.1
Loans (£million)	12.8	29.4	0.9
Grants as a % of total	74.8	83.4	99.0

Source: Table compiled by Clarke and Toye. *Op cit*, p204, from ODA. *British Aid Statistics 1978-84*; *British Overseas Aid 1982-4 Editions*; ODA Statistics Department.

**Table 37: ATP Commitments by UK Industrial Sector, 1978-85 (Current Prices).**

Sector	ATP-related sales (no)	Amount of ATP money (£million)	Share by manufacturing sector %
Agriculture & mining	3	21.0	na
Mechanical engineering	10	72.0	26.2
Electrical engineering	28	156.0	56.7
Shipbuilding	6	21.7	7.9
Marine engineering			
Vehicles	13	25.5	9.3
Total Manufacturing	57	275.2	100.0
Construction	10	26.3	na
Consultancy &	12	5.3	na
Grand Total	82	327.8	na

Source: Compiled by Clarke and Toye. *Op cit*, p205, from ODA. *British Aid Statistics 1978-84*; *British Overseas Aid 1982-4 Editions* and ODA Statistics Department.

**Table 38: Firms with 3 or More ATP-Supported Sales, 1978-85 (Current Prices).**

Name of Firm	ATP-Supported Sales (number)	Value of ATP Support (£m)
Balfour Beatty	13	34560
GEC	7	49088
NEI (and Partners)	5	47261
British Aerospace	5	9326
BREL	3	9809
John Brown Engineering	3	8302

Source: Compiled by Clarke and Toye. *Op cit*, p205, from *British Overseas Aid*, 1982-84 Editions; House of Commons Foreign Affairs Committee, *Second Report*, Session 1981-2 and Overseas Statistics Department.

**Table 39: Firms Receiving More Than £10m ATP Support, 1978-85 (Current Prices).**

Name of Firm	Value of ATP Support (£m)	Share of Total ATP Expenditure %
1. GEC	49,088	15.0
2. HEI (and partners)	47,261	14.4
3. Davy McKee	34,940	10.7
4. Balfour Beatty	34,560	10.5
5. British Mining Consultants	15,030	4.6
6. Austin and Pickersgill	14,035	4.3
7. Davy Leamy	13,505	4.1
8. Hawker Siddeley Power Eng.	12,515	3.8
9. STC	12,111	3.7
10. Rolls Royce	10,020	3.1
11. Wimpey	10,000	3.1
	253,165	77.3

Source: Compiled by Clarke and Toye. *Op cit*, p205, from *British Overseas Aid*, 1982-84 Editions; House of Commons Foreign Affairs Committee, *Second Report*, Session 1981-2 and Overseas Statistics Department.

**Table 40: UK Non-ATP Bilateral Project Aid, by Sector Affected in Recipient Country 1978-84 (Percentages).**

Sector	1978-79	1980-82	1983-84
Renewable natural Resources	18.4	15.0	19.1
Mining	0.6	2.9	8.0
Manufacturing	15.1	18.2	6.2
Energy	13.5	29.0	36.2
Transport & Communications	32.6	21.9	11.9
Other	19.8	13.0	18.6

Source: Compiled by Clarke and Toye. *Op cit*, p205, from ODA. *British Aid Statistics* and ODA Statistics Department.

**Table 41: ATP Expenditure by Sector Affected in Recipient Country (Percentages).**

Sector	1978-79	1980-82	1983-84
Renewable natural Resources	6.0	0.5	nil
Mining	30.8	nil	12.0
Manufacturing	nil	41.9	2.4
Energy	41.3	25.2	68.3
Transport & Communications	22.0	31.59	17.3
Other	nil	0.9	nil

Source: Compiled by Clarke and Toye. *Op cit*, p205, from ODA. *British Aid Statistics* and ODA Statistics Department.

## Appendix 2

19 September 1991

### PRESS RELEASE

#### SECRET REPORT SHOWS GOVERNMENT HID THE TRUTH ABOUT AID FROM PARLIAMENT

Ann Clwyd MP, Labour's Shadow Minister for Overseas Development, today made public a secret government document that shows that government sponsored aid projects, costing over £130 million, were of little development value and broke international commitments on free trade. Development experts also believe that differences between the internal departmental document and the published report show the published report was doctored to remove statements embarrassing to the Government, and to prevent proper scrutiny of Britain's aid programme by Parliament and by international bodies.

The differences between the two documents appear to reveal that published evaluations of ODA aid to large power generating schemes, were heavily amended after consultation with British companies involved, whose names are omitted from the final draft.

The report deals primarily with projects sponsored by the ODA through the much criticised Aid and Trade Provision (ATP). The scheme has been the subject of controversy and allegations that ATP sponsored projects are often of little developmental value and have, at times, been used to provide hidden export subsidies to UK companies. To avoid these dangers and to ensure that international free trade commitments are not illegitimately breached the Development and Assistance Committee (DAC) of the Organisation for Economic Development and Cooperation (OECD) requires that tied aid projects meet strict criteria concerning the quality of aid provided. A key requirement for ATP projects is that they must pass a "minimum test of development soundness" in order to qualify as aid spending.

In one of the most significant of many amendments to the published document a paragraph from the internal document referring to the appraisal of projects was deleted, which read:

'For the three ATP projects it involved "a minimum test of development soundness". In practice for the three cases involved this does not seem to have been very meaningful...  
....[in one instance]... **no test was carried out.'**

The British ATP programme has already come under fierce attack from DAC, who said, in a recent report (April 1991) that ATP spending leads to an increased risk of "inappropriate project identification and design... diverting aid away from high priority development programmes." it is not known whether, despite Britain's commitment to the fullest possible "transparency" regarding ATP, DAC had access to these internal ODA documents.



Ann Clwyd MP, a long time critic of the present ATP arrangements, said:

"The two documents appear to show that international bodies and Parliament have been deliberately misled to save the Government's face. These revelations call into question the validity of all the evaluations published by the ODA. The ATP programme costs British tax-payers £50 million a year. If the Government cannot own up to the full truth about ATP in its published reports it calls into question its own credibility. These revelations arise from sight of only one of many hundreds of internal ODA reports. It is now essential that, in the public interest, the Minister discloses all the other internal reports to independent evaluation in order to set the record straight."

## NOTES TO EDITORS

1) The published report referred to is Overseas Development Administration Evaluation Report (EV470) A Synthesis of Six Evaluations of ODA Large Power Generation Schemes July 1990. The original internal report has the same heading but is dated September 1988.

2) Attached is a selection of some of the amendments made to the published report. Statements appearing in the internal document, but deleted from the published report, are in bold print. Where appropriate, the paragraphs that replace the omitted sections are also shown in italics. Taken together these amendments show a clear attempt to water down, and in some cases remove, damaging criticism in the original report. The significance of most of the amendments is readily apparent but where this is not the case a note of explanation has been added. (Page and paragraph references to the original report are prefixed by 'IR' and reference to the published report are, appropriately, prefixed 'PR'.)

a) **DELETED**: The names of all British Companies mentioned in the internal report.

**COMMENT**: While it is legitimate to protect commercially confidential information it is questionable whether, in the interests of "transparency" the names of companies benefiting from ATP contracts should be hidden in the published reports. This is particularly so when this information is obtainable from other publicly available sources.

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b) **DELETED**: The nature and tone of the conclusions are also watered down in some subtle amendments. The original report notes that projects had "**frequent problems in identification and appraisal...**" (IR page 4, para 4). This part of the sentence is omitted from the published report which uses only the second half of the statement to conclude that "the type, size and location of the plant was much nearer the correct choice than might have been expected." (PR page 6, para 5).

c) **DELETED**: The original report for both ATP and country programme, capital aid projects, said that the economic impact in the recipient country was "**low or negative and a secondary or indirect commercial advantage to the UK has been negligible.**" (IR page 4, para 4)

**ADDED:** The published report says that impact was merely "...lower than expected at appraisal" (PR page 6, para 5).

**COMMENT:** A central justification for the ATP programme is that it is designed to lead to an economic stimulus in the developing country and to follow on orders for the UK. That neither was achieved is hidden behind the oblique language of the published report.

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d) **DELETED:** For the three ATP projects it involved a "minimum test of development soundness". In practice for the three cases involved, this does not seem to have been very meaningful: no test was carried out in the first part of the Burma project because no information existed and on the second part of the project the test was based wholly on an acceptance of an Asian Development Bank assertion that gas turbines were the least cost option." (IR page 14, para 37) cf (IR Annex page 33, para 55).

**ADDED:** *"The arrangement for ATP involved the assessment of the industrial and commercial case by DTI and a test of economic viability by ODA. The framework for ATP sets out that: The industrial case includes the maintenance of UK industrial strength, the development of UK technological capability, the creation or protection of employment, the maintenance or increase of industrial throughput and the extent to which benefits are secured by sub-contractors in addition to the main contractor. The commercial considerations include the extent to which the project represents a market entry, or acts as a reference sale the possibility of specific follow-up business. While every effort is made to process ATP cases quickly, they are subject to the same appraisal criteria within ODA as the projects funded from the rest of the bilateral aid programme."* (PR page 11, para 10)

**COMMENT:** -In order to qualify as development aid, and come within international free trade regulations prohibiting the use of subsidies – tied aid has to pass the "minimum test of development soundness," under DAC, OECD rules (see page 1 above, of this release).

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e) **DELETED:** "The Department of Trade and Industry/Department of Trade appraisals provided in the case papers were described by the valuers as inadequate. They contained unsubstantiated and in the event incorrect assertions about sales prospects (Burma, Botswana, inconsistencies over the case for individual "reference plants", and had difficulty in identifying the nature of non-British competition. On some occasions important information available to DTI was not conveyed to ODA. If, as planned, the logical Framework System is introduced for ATP projects, future assertions will be tested and inconsistencies hopefully avoided." (IR page 15, para 41).

**COMMENT:** The published report hid the fact that, though, ODA had to sanction ATP spending, another government department (the DTI) withheld important information, without which ODA had to make decisions about supporting the project.

Further, the evaluators, even in drawing up the internal report, never had a chance to see the projects at first hand. They had to rely on written reports about the

projects but they regarded these reports as inadequate. Though the internal report is very critical of the projects, it is likely that, had the evaluators seen the projects for themselves, the internal report would have been much more critical. Also, decisions to fund the project were clearly made on the basis of misleading and incorrect assertion about the prospects of follow up sales, one of the key justifications for the ATP programme. This appears to be a very serious omission from the final report.

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f) **DELETED:** Though reference was made to the often inappropriate nature of plant design used in the projects, that the limitation of technical options was narrow, the statement that this may have been partly as a result of the need to pack the ATP programme "**with adequate UK content**" was also hidden (IR page 16, para 44) cf (PR page 14, para 17).

**COMMENT:** ATP projects must contain at least 35% UK produced goods and services in order to qualify for a subsidy. This part of the reason, that in many cases inappropriate technology was given to developing countries, in the name of development, was hidden in the published report.

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g) **DELETED:** Referring to a non-ATP power plant provided by British companies in West Bengal, both reports (IR pages 5 and 6, PR pages 8 and 9) conclude that project aid provided "almost certainly inappropriate systems, with no appraisal by ODA), and with regard to public monitoring there was "virtually none". But the published report omits to say that:

**"In the event the equipment is now hardly used as the tariff does not cover fuel costs. The only possible justification (and one which the Indian authorities may have found difficult to resist given the relative abundance of aid for power equipment) was that such plant best met the political pressure to expand generating capacity quickly."** (IR page 17, para 45) cf (PR page 15, para 18).

**COMMENT:** This paragraph goes to the heart of the controversy over ATP – it shows how ATP has been used to subsidise the off loading of, often inappropriate, excess UK power plant capacity, on the developing countries, through a subsidy from the tax payer, in the name of aid. The message that the motivation was political, both in the UK and in the developing country, has been clearly recognised, but then deleted. The published report omits to say that such inappropriate considerations led to the whole plant hardly being used at all, clearly depriving other potentially more beneficial aid projects of resources.

h) **DELETED:** Regarding tendering and the appointment of contractors, "**UK suppliers can no longer supply the full range of power equipment [and in one case UK content rules were blatantly broken].**" (IR page 18, para 49)

**ADDED:** Competition between UK suppliers was not always possible to achieve "*in view of the small number of specialist suppliers.*" (PR page 16, para 22)

**COMMENT:** It appears that even the ATP rules, stipulating that 35% of the value of goods and services exported in ATP projects should have UK origin, were broken.

In that case it is hard to see how this project could legitimately qualify as an ATP project. It would also be interesting to learn what disciplinary action was taken against those involved in "blatantly" breaching these regulations.

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i) **DELETED:** Regarding whether the projects were completed in time, a reference to the fact that an ATP funded coal-fired power station in Botswana was 6 months late was omitted. **"The Botswana delay of 6 months resulted in part because civil works started before planned designs were completed, a not uncommon situation..."** (IR page 19, para 51) cf (PR page 17, para 24).

The fact that there was a failure to **"produce a work schedule almost two years after the start of the project"** to build an oil-fired power station in the Sudan, was also omitted (IR page 18, para 51).

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j) **DELETED:** **"The evaluations did not examine the extent to which companies involved local people in all stages of the project cycle in order to enhance local capability."** (IR page 20, para 54).

**ADDED:** *"the evaluations pointed out the contrast between those countries in which local staff took the initiative and became involved in implementation with consequential benefits of enhanced local capacity, and those countries in which staff were not closely involved"* (PR page 18, para 27).

**COMMENT:** One of the prime aims of aid is to ensure that it impacts on the most disadvantaged in the local community. This shows that apparently ODA did not properly consider the impact of aid spending in this way.

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k) **DELETED:** Regarding tariff levels in paying for electricity, in all but one of the projects concerned the report indicates that "Low tariffs, high theft and poor revenue collection posed considerable difficulty in establishing the need for capacity expansion and **the minimum test of development soundness.**" ' (IR page 23, para 65).

**ADDED:** The 'minimum test of development soundness' is replaced by the words *"economic viability"* (PR page 21, para 38).

**COMMENT:** This amendment appears to indicate a clear awareness on the part of the ODA of a breach of DAC, OECD rules.

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m) **DELETED:** Regarding project impact and the need for the generating capacity to be supplied at all: **"The ODA appears not to have sufficient time or resources to undertake adequately rigorous or critical analysis of the assumptions underlying forecasts presented to them"** (IR page 24, para 68) cf (PR page 23, para 41).

**COMMENT:** This is a clear statement that the ODA, in the opinion of the author of the report, was under-resources and, therefore, unable to correctly analyse crucial information needed to assess the requirement for particular projects.

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j) **DELETED:** Regarding the impact of the projects on women, "**It was not investigated whether modifications of the project design [such as alterations in tariffs or subsidies to appliances] could have had a greater effect on women or other disadvantaged groups.**" (IR page 26, para 75).

**ADDED:** *"The evaluations did not specifically examine the different categories of consumers"* (PR page 26, para 50).

**COMMENT:** It is a key objective of development aid to reach women to enhance the development process. It appears that there were tools available to help women, often the poorest and the most vulnerable members of the community, but the objective of shifting resources to them was apparently never properly considered.

## ANNEX

Perhaps the most significant difference between the original and amended document is that the whole annex to the internal report was dropped from the final published draft. The annex contains the "SUMMARIES OF POWER PROJECT EVALUATIONS". They reveal the full extent of problems with the British aid in this sector and the omissions largely speak for themselves.

a) In the summary of the provision of an oil-fired power station to Sudan, the published report omits to say that despite ODA providing £78 million for the project: **"The choice of technology has been inadequate in terms of size and type... the diesel plant contains too complicated electronic controls currently disconnected and ignored"** (IR page 29, para 20).

**"[ODA had little effective power to prevent the breaking of UK content rules, to ensure effective UK competition, to eliminate unsatisfactory companies at pre-qualification, or to ensure implementation of essential elements of the project funded by other donors (eg training).]"** (IR page 30, para 22).

**COMMENT:** Ministers should explain why this indictment of ODA's abilities by an expert chosen by ODA should have been deleted from the published report.

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b) In the provision of a power plant in Botswana 1983-87, despite providing an ATP grant of £5.4 million and assisting with export credit guarantees of £12.7 million:

**"No technical assessment was made by ODA"** (IR page 30, para 28);

**"The commercial case was based on [unsubstantiated] claims that the project will improve prospects for meeting orders elsewhere in Africa"** (IR page 30, para 29);

**"ODA did not monitor the project"**. (IR page 31, para 35).

Regarding environmental impact – despite the government's public policy regarding its purported concern for the environment:

**"... the plant does not meet standards for the latest plant in Europe"** (IR page 31, para 37).

c) UK Aided Generating Plant in Bangladesh (March 1981 – April 1986) ODA provided £4.671 million ATP grant, in support of a combined cycle gas turbine, and assisted with export credit guarantees worth £12.629 million. In spite of this:

**"No technical assessment was carried out by ODA."** (IR page 32, para 42).

Unsurprisingly:

**"Plant operation has been dogged with teething difficulties."** (Ir page 32, para 46);

**"The sustainability of the project is in some doubt in that the local staff are unable to rued the equipment and are thought unlikely to learn to do so given**

**its high level of automation the plant creates a heavy demand for spares (0.5 million per year) for which foreign exchange is in short supply."** (IR page 33, para 50).

We are told, however, significantly:

**"ATP did allow the contract to be won"** (IR page 33, para 52).

-----

d) UK Aided Power Generating Plant in Burma – ODA agreed to provide two ATP grants, £2.19. million in 1979 and £2.2 million in 1982.

**"The projects were identified in conjunction with the utility. No details will seen of the Burmese appraisal. ODA did not carry out a minimum test of development soundness of the first grant and relied solely on the Asian Development Bank's view of the second. ODA did not make a technical assessment"** (IR page 33, para 55).

**"No monitoring was undertaken by ODA"** (IR page 34, para 61).

**"Sustainability is threatened by the lack of foreign exchange for spare parts and general weakness in financial viability"** (IR page 34, para 64).

**COMMENT:** The original report shows that between 1982 and 1986 (at 1987 prices) ODA gave over £759 million in support to the power sector, of that over £172 million was given through the ATP. It appears that in many cases British aid monies have been spent on inappropriate technology, in countries where the generating capacity was often not needed, and the projects appear to have had relatively little positive impact on the development of the recipient economy, or that of the UK.

- ends -

## Appendix 3

Net Flows understate the movements of resources between the developed and developing worlds. They include principal repayments but not interest payments or profit repatriation on direct investments. Net Transfers do include these, however, but they are only published on a global basis, not for individual countries, by the World Bank Annual Report.

My efforts to get the figure for Net Transfers for Britain led me to write to the World Bank, with no initial response. A Parliamentary Written Question was subsequently put on my behalf by Ann Clwyd MP. The result was that the figures are not available. I questioned a representative of the ODA, John Roberts, about this at a conference on aid at Bradford University, and he promised to look into the matter. His subsequent letter, included below, suggested a couple of possibilities for further research. I wrote to the Debt and International Finance Department of the World Bank as he suggested, with no satisfactory response as yet. It would seem that it is not possible, therefore, to get hold of this information. Below are the texts of the Parliamentary Written Questions and responses, and the correspondence with the ODA and the World Bank.

### Parliamentary Questions: Debt

**Mrs Clwyd:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table showing, for the period 1975 to 1990, the total public and private long-term net transfer of financial resources including both principal repayments and interest repayments on public and private debt, between the United Kingdom and all developing countries, with a breakdown of these totals by continent.

**Mrs Chalker:** Net official and private flows for the years 1975 to 1989, the most recent year for which figures are available, are:

Year	Official Flows (Net)	Private Flows (Net)
1975	422	2,520
1976	957	3,503
1977	695	3,208
1978	948	3,916
1979	1,083	5,277
1980	726	4,527
1981	1,265	4,596
1982	1,117	2,463
1983	1,200	2,813
1984	1,425	2,196
1985	1,495	423
1986	1,417	3,144
1987	1,310	819
1988	1,666	787
1989	1,857	396

The figures are net of principal repayments but not of interest repayments. Data on interest repayments are not available by country.<sup>1</sup>

<sup>1</sup>*Hansard*, 28 March 1991, c499. Written Answers.



## Correspondence with ODA

34 West Grove  
Sale  
Cheshire  
7 September 1992

John Roberts  
ODA  
Victoria Street  
London

Dear John Roberts

I am a PhD student at Liverpool University Institute of Latin American Studies researching aspects of British official aid since 1975 and supervised by Dr Walter Little.

I attended the conference on aid organised by Calderdale Third World Group at Bradford University earlier this year, at which you contributed. I asked you a question during the discussion about the non-availability of figures on total public and private long-term net transfers between Britain and the developing world. If you recall, I told you that I had formulated a parliamentary question asking for these figures which was put on my behalf by Ann Clwyd MP (See *Hansard*, 28 March 1991). The reply was that data on interest repayments were not available by country and therefore only figures on net flows were available.

However, net transfers are available in the World Bank Annual Report on a global basis. You acknowledged at the Bradford conference that data on individual countries must exist in order to be able to calculate the global figure. I wrote to the World Bank for this information but they did not reply. You said you would investigate this on my behalf if I wrote to you. I would therefore be very grateful if you would do so. As you will no doubt appreciate, the Net Flows understate the amount of resources currently extracted from the developing world, and I believe the British public has the right to know the true extent of Britain's involvement in these transfers.

Many thanks

Yours sincerely

Christopher Erswell

# ODA

Overseas Development Administration  
94 Victoria Street, London SW1E 5JL

25 September 1992

C Erswell Esq  
34 West Grove  
Sale  
Cheshire

Dear Mr Erswell

## NET TRANSFERS TO DEVELOPING COUNTRIES

I can now follow-up my earlier reply of 23 September to your letter to me of 7 September with a more substantive, but I am afraid not wholly helpful response.

2. You will appreciate that the UK balance of payments information on interest and dividend receipts from other countries which you are seeking is not a matter for which the ODA has responsibility. I have accordingly made enquiries with the Central Statistical Office.

3. The SCO do not publish data on interest receipts by country because information from the banks is not furnished on a country-by-country basis. They do however provide information on profits from foreign direct investment by UK companies. This you can find in the CSO's publication Business Monitor MA4. The CSO does furnish the OECD with estimates of interest receipts disaggregated by country but these are regarded as too unreliable for publication in raw form. Thus, the OECD – for example in the DAC Chairman's Annual Report – shows figures for interest and dividend payments by all developing countries to all OECD countries, but does not break this figure down to show receipts by individual OECD countries.

4. If you wish to pursue the matter further for research purposes you might try again at the World Bank. The Bank's Debtor Reporting System collects regular information from developing countries about their official and private obligations to individual creditor countries as well as those to multilateral institutions. This is the basis of the data published in the World Debt Tables. I do not know whether the Bank is able to release its detailed data to members of the public, but it might be worth trying. You could address your enquiry to the Division Chief for Debt and International Finance in the International Economics Department.

5. Data from the Debtor Reporting System is not necessarily coincident with figures for creditor sources but, if it is available to you, it would provide you with at least some basis for deriving the information you want.

Yours sincerely

J T Roberts  
Aid Economics and Small Enterprise Department

## Correspondence with World Bank

34 West Grove  
Sale  
Cheshire  
Britain  
M33 5AS  
10 August 1993

Division Chief for Debt and International Finance  
International Economics Department  
World Bank  
Washington DC  
USA

Dear Sir/Madam

I am a research student at the Institute of Latin American Studies at the University of Liverpool. I am doing research on British official aid policy 1975-90. I have for some time been trying to obtain figures for total public and private long-term net-transfers between Britain and the developing world. The figures for net transfers between all developed and developing countries globally are published in the World Bank Annual Report. I assume therefore that the figures for Britain must be available in order to calculate the global figure. My enquiries at the ODA and in the House of Commons have so far led to nothing (see enclosed correspondence).

Could you please let me know if the figures for Britain are available publicly? If they are I would be very obliged if you would send me a copy of these figures for the years 1975-present. It would also be useful to have a breakdown of net transfers between Britain and the developing world by continent if possible.

Many thanks

Yours sincerely

[Mr] C C Erswell

## **The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.  
Washington D.C. 20433  
U.S.A.

August 24, 1993

Mr. C.C. Erswell  
34 West Grove  
Sale, Cheshire M33 3AS  
England

Dear Mr. Erswell,

In reference to your request of August 10 1993 regarding British official aid flows, I regret to inform you that this information is not available to the public. This is because we obtain the information published in the WDT from debtor governments subject to confidentiality limitations.

Notwithstanding, most of the information you require is available in OECD's annual publication "Geographic Distribution of Financial Flows". This document should be available at a local library. If this is not the case, you could contact:

Mrs. Jane Saint-Sernin  
OECD  
2 rue Andre Pascal  
Paris France (Phone: 4524-9040)

Sincerely

Manuel Trucco  
Debt and International Finance Division  
International Economics

34 West Grove  
Sale  
Cheshire  
M33 3AS

28 August 1993

Manuel Trucco  
International Economics Department  
World Bank  
Washington DC  
USA

Dear Mr Trucco

Thank you for your letter dated 24 August 1993. I am afraid you misunderstood my request. I was not seeking information on official NET FLOWS which are publicly available in published form, but on NET TRANSFERS which you will no doubt appreciate include principal repayment and interest payments. They are available publicly on a global basis and published in the World Bank Annual Report.

Could you please explain to me why it is that confidentiality does not seem to apply in the case of the global figures on net transfers, but it apparently does apply to the figures on net transfers between Britain and the developing world? Why does the British public (or indeed the international community as a whole) not have a right to know this important statistic? If you yourself feel you cannot answer this question, I would be most obliged if you would pass it on to someone who is in a position to answer this question within your institution.

Many thanks

Yours sincerely

(Mr) C C Erswell

## Appendix 4

### A Parliamentary Question for the purposes of this thesis by Jim Lestor MP

#### Written Answer

For Friday 21 February 1992

**146 Mr Jim Lestor** (Broxtowe): To ask the Secretary of State for Foreign and Commonwealth Affairs, if he will give the amounts of official development assistance allocated as bilateral project aid in the primary health care sector for the years 1974 to the present.

#### ANSWER

**Mrs Lynda Chalker:** Figures prior to 1980 are not available. Bilateral project aid expenditure (excluding technical cooperation) for the period 1980 to 1990 was as follows:

Year	Expenditure (£ thousands)
1980	4,134
1981	730
1982	1,868
1983	4,195
1984	2,939
1985	3,586
1986	2,041
1987	752
1988	2,373
1989	844
1990	9,308

NB: Includes expenditure on family planning

**UK Bilateral Aid Expenditure on Primary Health, Primary Education, Rural Water Supply and Family Planning, 1980-1990 (cash prices) (1) (2)**

	£ Thousands										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Primary Education	171	419	119	128	614	284	598	723	1,425	1,071	1,678
Primary Health (3)	4,134	726	1,868	4,195	2,939	3,586	2,041	752	5,891	5,264	15,026
Family Planning	886	283	1,829	3,794	2,747	2,439	1,520	686	1,746	1,115	6,232
Rural Water Supply	1,609	1,518	1,246	557	742	1,280	53,918	7,601	7,826	10,006	3,718

(1) Figures refer to the primary sector which benefits from any expenditure. They exclude expenditure classified to other sectors which may also benefit the primary sector (eg expenditure on primary teacher training may be classified under teacher training, not primary education)

(2) Technical Cooperation expenditure is not included for 1980-87.

(3) Including Family Planning

NB Figures include Project Aid provided by the Commonwealth Development Corporation.

## Appendix 5

### ODA Checklist for the Participation of Women in Development Projects

#### PART THREE

Questions for Reporting to the DAC	Y	N
1. Are women the primary and main target group (agents and beneficiaries) of the project?	<input type="checkbox"/>	<input type="checkbox"/>
2. If not, are women identified explicitly as part of the target group (agents and/or beneficiaries) of the main components of the project?	<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes to either of the above, the following questions should be answered:</b>		
3. Have women whose lives will be affected by the project been consulted during project design and does the project document explain how this was done?	<input type="checkbox"/>	<input type="checkbox"/>
4. Does the project document make it clear how women will be involved as active participants in project implementation, not just as beneficiaries or as a source of manual labour?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are barriers to female participation in the project identified in the document and have measures been designed in order to overcome these barriers?	<input type="checkbox"/>	<input type="checkbox"/>
6. Does the project provide for expertise in the gender aspects of development to be utilized throughout the project cycle and does the document make it clear how the expertise will be used to address gender issues?	<input type="checkbox"/>	<input type="checkbox"/>

**WID specific: Yes to question 1, plus yes to questions 3-6**

**WID integrated: Yes to question 2, plus yes to questions 3-6**

**WID relevant: Yes to question 2, and yes to at least one of questions 3-6**

**WID not relevant: No to all questions**

**This should form the basis of your reply at line 18 of the computer-generated commitment notification form (or line 19 of the old notification of grant of loan commitment form).**

**See OP III A/8 (Annex 1)**



## Appendix 6

### Human priorities in bilateral aid<sup>a</sup>

	ODA (US\$ millions)	ODA as % of GNP	Aid social allocation ratio	Social priority ratio	Aid human expenditure ratio	Percentag e of total ODA for human priorities
Country	1990	1990	1988/ 89	1988/ 89	1988/ 89	1988/ 89
Norway	1,207	1.17	27.2	72.3	0.230	19.7
Finland	846	0.64	38.0	41.4	0.100	15.7
Denmark	1,171	0.93	19.2	55.4	0.099	10.6
Netherlands	2,580	0.93	21.1	44.5	0.087	9.4
Sweden	2,007	0.90	17.0	41.5	0.064	7.1
Switzerland	750	0.31	35.8	50.6	0.056	18.1
Canada	2,470	0.44	23.8	45.9	0.048	10.9
Italy	3,395	0.32	18.0	47.3	0.027	8.5
United Kingdom	2,639	0.27	13.4	65.8	0.024	8.8
France	6,277	0.52	11.0	35.9	0.021	4.0
Austria	389	0.25	13.4	60.6	0.020	8.1
United States	10,166	0.19	16.4	50.4	0.016	8.3
Germany	6,320	0.42	8.9	21.4	0.008	1.9
Japan	9,054	0.31	10.7	25.5	0.008	2.7
Australia	955	0.34	6.4	31.4	0.007	2.0
Total 15 DAC countries	50,226	0.35	14.8	43.7	0.023	6.5

a. Human priorities include basic education, primary health care, safe drinking water, adequate sanitation, family planning, and nutrition programmes.

Source: UNDP. *Human Development Report 1992*, p43. Reproduced by permission of the publisher, Oxford University Press.

## Appendix 7

### Recently Disclosed Information about Links between Aid and Arms

#### **Independent, 18 January 1994**

#### **Major approved £234m aid for 'wasteful' dam project**

The Prime Minister took the final decision to overrule his own officials and pump £234m of British aid into a Malaysian dam project described by the Overseas Development Administration as "a very bad buy".

Until yesterday and the appearance before the Commons Public Accounts Committee of Sir Tim Lankester, the former ODA permanent secretary, it was widely assumed the green light for Britain's funding of the Pergau hydro-electric project came from Douglas Hurd, the Foreign Secretary.

Not so, said Sir Tim, pushing John Major, who spent yesterday giving evidence to the Scott inquiry less than a mile away, into further difficulty.

In a report in October, the National Audit Office, the public spending watchdog, condemned Pergau as uneconomic, environmentally unsound and a waste of taxpayers' money. The office pointed the finger at Mr Hurd, saying he order Sir Tim to spend the money – on 4 July 1991.

But under repeated questioning from MPs, Sir Tim said the decision was actually taken in Cabinet on 26 February 1991. He said that Mr Major was confirming an oral undertaking given by Margaret Thatcher personally in 1989.

Sir Tim, now Permanent Secretary at the Department for Education, also admitted for the first time that aid for Pergau was linked to a £1.3bn sale of arms to Malaysia – something the Government has consistently denied.

His admission came the day after Lord Younger, then Secretary of State for Defence, told the *Independent* he had always assumed that to be the case. After reading out a statement from Mr Hurd, in which the Foreign Secretary claimed increases in exports to Malaysia justified the expenditure, Sir Tim agreed he took that to include defence sales. "Clearly there was a perception of linkage," he said. Sir Tim's opposition to Pergau was contained in a memorandum for Mr Hurd. The Government drew accusations of a cover-up by refusing to release the document.

The initiative for British involvement in Pergau came from the Department of Trade and Industry, with the building work awarded to Cementation International and Balfour Beatty. Cementation is owned by Trafalgar House, which donated £590,000 to the Tory party from 1979 to 1992.

A cheaper alternative gas turbine power station to be built by another company was rejected.

Tom Clarke, shadow Minister of State for Overseas Aid, said afterwards it was "very serious, with the present Prime Minister agreeing to use our limited aid reserves in

this way". Mr Major's decision, claimed Mr Clarke, "benefited a small number of people closely associated with the Tory party".

### **Independent, 19 January 1994: Editorial**

#### **Sweetener hides a bitter truth**

A Government that portrays itself as a believer in basic values is increasingly being shown to be a ruthless practitioner of *realpolitik*. The Scott inquiry is revealing the extent to which ministers and officials have been prepared to bend the rules to boost British exports to Iraq, despite their military potential. To that can now be added the linking of a large slice of Britain's development aid budget to a big arms deal with Malaysia.

The project involved was an uneconomic dam. The Prime Minister himself insisted that the funding should go ahead as a sweetener. His own officials said it would be a waste of taxpayers' money. For years ministers denied that there was any link with the weapons deal. Finally, this week, the truth emerged at the Commons Public Accounts Committee hearings into Britain's funding of the hydroelectric project in Pergau, Malaysia.

The arms deal was worth £1.3bn, while the aid given will eventually amount to £234m. This is a huge sum. The total annual British aid budget is just £1.9bn, and only India receives more than £100m a year.

This week's disclosure throws into doubt frequent ministerial assertions that the motive of Britain's aid effort is to reduce poverty and suffering in the poorest countries. It has long been recognised that aid is intended to boost British exports. But the sale of weapons was never supposed to be linked to humanitarian help.

The revelation would be less damaging were British aid substantial. It is not. Relative to GDP, this country is one of the least generous donors among industrial nations. A sweetener paid to one country could be seen as food not given to the starving of another. The Malaysian project certainly means that many useful and much-needed capital projects will not materialise because of lack of funds.

Yesterday Mr Major defended his behaviour. He told the House of Commons that the Malaysian policy was justified because it helped to promote billions of pounds of British exports and created many jobs here. No doubt he is right that the sweetener achieved its intended outcome. But if the Government wishes to bolster the sale of British arms abroad, it should not pilfer the little cash set aside for the world's poor.

And if Major as so proud of his policy, why was the link between arms and aid denied for so long? Why is he still withholding papers from MPs on the matter? Perhaps because he has realised that the public is not prepared to accept that the end always justifies the means. The Government evidently has felt the need to draw a veil over an aid policy that was proclaimed as highly moral but has in fact been perverted to support the sale of weapons to a far from impoverished industrialising nation.

The Malaysian affair is yet another instance of ministers hiding the truth from Parliament and the electorate. The evasions and the perversions are characteristic of a government that fails to adhere to the moral code it preaches.

## **Synopsis of:**

# **UK Aid Policy and Practice 1974-90: An Analysis of the Poverty Focus, Gender Consciousness and Environmental Sensitivity of British Official Aid**

This thesis can be summarised as follows:

## **Objectives of the Research**

To investigate the extent to which British official aid was poverty-focussed, gender-conscious and environmentally sensitive. The objective of the exercise was to gather whatever evidence existed which would shed any light on both the policy motives of the donors of aid and the effects of aid on those most in need of help. This includes women, who suffer disproportionately from poverty in the Third World. The inter-relationship between poverty and the environment was also examined because the poor are particularly vulnerable to the effects of “development” on the environment.

## **Methods and Sources**

- Interviews with aid civil servants; two former Ministers of Overseas Development (Judith Hart and Timothy Raison); Party spokespeople on overseas development; consultants to the ODA; freelance writers on aid.
- Analysis of Parliamentary debates, Parliamentary papers, government publications, aid pressure group material, press articles, women’s organisations and environmental lobby group proposals.
- Analysis of ODA statistics, including unpublished internal print-outs of aid sub-sectors.
- Analysis of internal ODA “flagship” project documents in the areas of poverty alleviation, gender and the environment.

## **Summary of Chapter Contents**

### ***Chapter 1: Labour Aid Policy 1974-79***

- Analysis of 1975 White Paper, “More Help for the Poorest” – relationship to World Bank policy shift (1973).
- Limitations of White Paper
  - political and commercial objectives in the paper contradict developmental objectives;
  - local and recurrent cost restrictions limited a substantial poverty focus;
  - sovereignty of recipient nations was used to limit scope of policy shift;
- IMF-inspired cuts in aid budget and controversy surrounding it.

- Problems of implementing rural development projects.
- Commercial influence on aid resulting from export lobby and underspend on poverty-focussed projects resulting from local/recurrent costs restrictions, eg Indian ships deal. Judith Hart's defence of this (interviews with her).
- Initiation of the Aid for Trade Programme (ATP) by Judith Hart in return for quantitative increase in aid. Implications of this in preparing the ground for greater commercial emphasis of the Thatcher government.
- Analysis of other writers' balance sheets of the Labour aid record – the lessons of the attempted shift to a poverty-focussed approach.

## **Chapter 2    *Conservative Aid Policy 1979-90***

- Assessment of the influence of different policy approaches on Thatcher government policy.
  - negligible influence of extreme economic liberals (Bauer et al)
  - continuing predominance of export lobby in policy
  - essentially a continuation of Labour policy “nibbled at edges”. 1975 White Paper not disavowed
  - this encapsulated in Marten statement (1980) to Commons
- Examples of commercially motivated aid deals continuing the trend under Labour.
- Growth of Aid for Trade Programme (ATP).
- Origins of current Malaysian arms scandal: Pergau dam affair examined.
- Comparison of Raison and Patten periods of office at ODA.
- Analysis of a number of critical pressure group reports in this period in response to quantitative as well as qualitative decline in aid.
- Foreign Affairs Committee deliberations on this decline in aid. Weaknesses in final report despite critical evidence given.
- Shift to co-option of critical NGOs under Patten: greater openness, but “carrot and stick” used to suppress their criticisms.
- Similar constraints on consultants in universities and lobby groups as a result of dependence on ODA funding.
- Ability of Patten to adapt to powerful criticisms of gender and environment lobby.
- Labour Party press release exposing “doctored” ODA evaluation reports on ATP – quotations and analysis.
- Interview with Timothy Raison (extracts quoted to give background to government motivations. Critical of Thatcher.
- British response to 1984 Ethiopian famine reviewed. Britain's previously poor showing in Ethiopia analysed. Controversy in press examined. Britain's hostility to “Soviet client” contrasted to neighbouring countries.
- Review of All-Party Group on Overseas Aid report on African agriculture – devastating statistics on British record.

- Declining contributions to multilateral aid institutions aimed at poorest countries (IDA, IFAD etc) at time of famine.
- Interview with Joan Lestor (Labour spokesperson) and Jim Lestor (dissident Conservative) – interesting insights into Raison as an individual; also Chris Patten.
- Extracts from interviews with ODA social development advisers and assessment of their ability to scrutinise projects. Grossly under-staffed. Cannot properly scrutinise – let alone alter – projects.
- Actionaid symposium examined – debate between Patten and development lobby. Absence of poverty-impact evaluations revealed.

### ***Chapter 3    Quantitative Comparison of Labour and Conservative Aid Policy 1974-90***

- In 1990 Official Development Assistance (ODA) down by a third of its 1979 value.
- Public Expenditure on Overseas Aid (PE) cut more than Public Spending as a whole under Thatcher – in 1990, it was down by 20 per cent on 1979 figures, indicating low priority to aid.
- While ODA declined by a third under Thatcher, Other Official Flows (OOF), representing less concessional aid on more commercial terms, increased in percentage terms while purely private flows collapsed as a result of debt crisis. Voluntary grants from private charities increased their relative importance within private flows.
- In terms of ODA as percentage of GNP, British aid in 1990 was 0.27 per cent – half the 1979 figure. The target is supposed to be 0.7 per cent.
- The percentage of total financial flows of GNP was **negative** for the first time in 1990. This was embarrassing for Britain, which has always argued that this was more important than percentage ODA.
- The Thatcher period saw multilateral aid increase and bilateral aid decrease, despite efforts of Thatcher to reverse this trend. The figures reflect cutting of overall aid while long-term multilateral commitments prevented cuts.
- Within bilateral aid, concessional project aid has declined, commercial-terms aid (CDC aid) has sharply increased. Programme aid has waned despite Thatcher government pressure to increase this highly conditional form of aid. Debt cancellation did not rise significantly under the Conservatives, despite the Lawson initiative. It was higher under Labour.
- Grants have increased and loans decreased – this linked to Britain's desire to keep trading links with traditional African Commonwealth countries hit hard by debt. This merely reflected that they simply could not repay the debt.
- Tying of British aid has not declined significantly – about two-thirds of aid continues to be tied.
- Local costs have declined consistently as a percentage of bilateral aid since 1983, when the last projects initiated under Labour were filtering through the system.

- There was a 40 per cent drop in the aid to the poorest 50 countries during the 1980s. There was also a decrease of 50 per cent in per capita aid to these countries in the same period.
- The two key poverty-related sectors of project aid, Renewable Natural Resources (RNR) and Social and Community Services (SCS), accounted for less than 30 per cent of project aid on average over the 1980s.
- In 1984 a staggering two-thirds of UK project aid to African agriculture went on roads, paper and rubber schemes; a further 10 per cent went on non-staple cash crops; while only 1.5 per cent on livestock and 1 per cent on rural water supply. There was a low allocation to subsistence farming, agricultural research (especially in arid areas), farmer services and credit.
- Non-staple cash crops received more priority than cereals and livestock (critical to subsistence food supply).
- The *UNDP Human Development Report 1989* claimed that only 8.8 per cent of British aid went to “human development” priority areas such as pure water supply, sanitation, nutrition, family planning, primary education and primary health.
- Primary education accounted for less than 15 per cent of total education on average.
- Primary health sector aid was largely devoted to family planning – other key aspects of primary health were neglected.
- Human development priorities accounted for 7 per cent or less on average of total project aid if commercially motivated projects are discounted.
- There are massive differences in aid to dependencies compared to non-dependencies. Ethiopia during the 1984 famine got the same aid as Gibraltar with its much smaller population.
- Aid to “Soviet clients” and radical redistributive regimes (eg Nicaragua under the Sandinistas) got much less aid (if any) than neighbouring, “friendly” regimes.
- ATP distorted significantly the destinations of aid towards the NICs (eg Malaysia!) – linked to arms sales in some cases.
- A small group of companies benefited enormously from ATP – they were also noted for contributions to Conservative funds.

#### ***Chapter 4: Philosophical, Ideological and Moral Influences on British Aid***

- Background analysis of Harold Wilson and Judith Hart books on development issues – one took a religious, “moral” stance in defence of aid (Wilson); the other an ideologically socialist stance. Linked to Keynesian economics.
- Contrast with extreme economic liberals such as Peter Bauer, who argued that there is no moral case for aid.
- Discussion of ideas of Bauer and his influences among the Tory right.
- A critique of Bauer, including extracts from an interview with him.
- Discussion of Nozick’s views attempting to justify inequalities of wealth if “acquired justly”. Critique of his views and defence of idea of social justice based on needs. Other writers cited to support this (eg Riddell, Moore Lappe).

- Discussion and comparison of different left-wing positions on aid (Judith Hart and Teresa Hayter). Evolution of Hayter's views towards accepting need for aid in certain circumstances. Similarly, Myrdal and Seers evolved in opposite directions (pro-aid to being more critical).
- Comparison of different right-wing views on aid (Bauer vs the export lobby).
- Discussion of role of liberal, centrist views on aid – the *Brandt Report* and the idea of “mutual interests, enlightened self-interest” between North and South. Critique.
- The idea that “self-interest” or “national interest” is paramount. Critique.
- Environmental arguments in relation to aid; influence of populist ideas in the environmental and development lobby. Critique.
- Discussion of environmental priorities vs social priorities.
- Discussion of problems related to gender. Does the women's movement in the North have the right to “interfere” in gender relations in the Third World?
- Family planning and population issues: is population the cause or effect of poverty? It is argued that it is the effect of poverty, not the cause.
- Discussion of theories of justice in relation to women: women either do not exist or, when they do, they are relegated to the private, domestic domain where the law does not apply. Internationally, while their lives are affected by foreign capital, international moral obligations are disavowed.
- It is argued that the Northern women's movement does have the right to intervene in the South.

### **Chapter 5: *British Aid and the Environment***

- The Brundtland Report, the concept of “sustainable development” and the British response.
- Reaction from environment lobby: the critique of growth. This is in turn criticised. Instead of “nil growth”, it is argued that it is necessary to replace “accumulation for accumulation's sake” with production for need. Wasteful production undertaken simply because it is profitable should be eliminated.
- Critique of population as cause of poverty – as argued by Brundtland, the ODA and the environmental lobby. It is argued that genuine land reform to alleviate poverty is what is most needed. This need is obscured by the emphasis on population growth as cause rather than effect of poverty.
- Discussion of relation between migratory and commercial causes of forest destruction. It is argued that commercial causes are very important. Migration and colonisation of frontier forest regions does cause destruction, but this migration is a result of the failure to implement genuine land reform in non-frontier regions.
- Discussion and analysis of British policy documents responding to Brundtland – hiding behind population to evade need for land reform.
- Account is given of the debate over social forestry and the environmental lobby's criticisms of the ODA Karnataka (India) Social Forestry Project. The role of eucalyptus in this. Evaluation reports are analysed and the views of consultants to the project are reported (extracts from interviews).



- Analysis and criticism of a subsequent “flagship” forestry project: the Western Ghats Forestry Project. Contrast is made between two approaches to projects: the “blueprint” approach and the “process planning” approach typified by the above two forestry projects.
- Interviews with independent freelance writer Steve Percy, who is critical of the Western Ghats Project.
- Discussion of attempts to co-opt Indian NGOs.
- Interviews (extracts) with ODA officials in defence of what they are doing in forestry.
- Other ODA flagship projects which promote “green revolution” methods are criticised because they narrow the genetic base and are only available to middle farmers, not the poorest or landless.
- The Indian RainFed Farming Project and British Tropical Agricultural Mission Project (Bolivia) are counterposed to the above as examples of good poverty-focussed, environmentally-sensitive projects carried out by the ODA. They account for a tiny fraction of the ODA budget, however, and are unlikely to become more than this.
- Critical National Audit Office reports are analysed in relation to commercially-orientated ODA projects.

## **Chapter 6: Gender**

- Effect of UN Decade for Women and the Nairobi conference proposals, “Forward-Looking Strategies”, on Britain’s aid policy.
- Analysis of ODA Gender booklets setting out the policy, along with a damning critique of this by War On Want report.
- Debate in Parliament on War On Want report is presented.
- Criticisms of other development and gender lobby group discussed in relation to need for an ODA gender unit; special measures needed to correct institutional bias against women in various areas.
- Interview with Timothy Raison (former Minister at ODA) on gender issues: reveals lack of commitment to this question.
- This confirmed in interviews with ODA social development advisers.
- An account is given of attempts to integrate gender into ODA by women social development advisers. Internal documents reveal that only 10 per cent of projects were at all consciously relevant to women and less than 1 per cent were systematically aimed at women.
- A “flagship” gender project was found not to be consciously initiated for women. References to gender were sporadic. It was typical of a project initiated for other reasons and into which gender was incorporated on the basis of “damage limitation”.
- Discussion of problem of relating to Third World women when the ODA staff is overwhelmingly male.
- Discussion of how some projects worsen the position of women, such as the effect of shifts from subsistence production to production for market and some

land reforms which transfer communally-owned land into private male-owned property in a gender-blind way.

- Discussion of need for lower level education and training to benefit women as well as prioritise the “caring” subjects they tend to study, rather than the infrastructure and “hardware” related subjects favoured by the ODA aid projects.
- Analysis of ODA research into the above problems.

### **Chapter 7: Conclusion and Alternative Proposals**

- Comparison of proposals of “development lobby” and the “Third World solidarity” approach to aid.
- What political forces exist in Britain to effect a change in favour of more help for the Third World? Discussion.
- Do working people in Britain have common interests with their counterparts in the Third World? It is argued that they do, regardless of subjectively chauvinistic and “me first” attitudes. There is an objective relationship between working people North and South which results from the fact that they are both in conflict with the same northern elite interests (and the neo-colonial elites which are largely bound up with them). Evidence is provided from British labour history to support this view – foreign wars and revolutions have helped shape British labour history. Likewise the Mexican oil expropriations in the 1930s are cited as an example of this phenomenon across the North-South divide: the rise of the militant US CIO trade union confederation aided the ability of Mexico to carry out the oil expropriations.
- The concept of aid as a reform is examined. When conditionally given it is argued that it is not a reform but a lever for Northern interests.
- The dangers of “green conditionality” are discussed, and it is rejected on the grounds of unwarranted “neo-colonialism” as well as expressing naive illusions in the ability of the North to play a progressive role in the South.
- It is concluded that the Third World should avoid all kinds of conditional aid, and that pressure should be applied in the North to abandon conditional aid.
- It is argued that quantitative increases in aid, without eliminating conditionality, makes matters worse rather than better.
- A long list of alternative proposals for British aid is presented, premised on the need to eliminate conditional aid. These proposals include briefly:
  - vastly increased volumes of non-conditional aid;
  - ending of all commercial and political influences on aid; abolish ATP;
  - increases in poverty-focussed project aid aimed at the landless and very poor;
  - opposition to Structural Adjustment Lending (SAL);
  - more focus on gender questions and an ODA gender unit to initiate projects aimed at women;
  - greater sensitivity to the environment and opposition to green revolution methods and more emphasis on agricultural research into rainfed, arid farming.

## Conclusion

This is essentially that there was a continuity of policy from Labour to Conservatives dictated by DTI, FCO and the Treasury. ATP initiated by Labour laid the basis for the Thatcher aid policy. It is necessary to say: abandon conditional aid, but since this will not happen at present we must try to reform it – to remove as many “strings” as possible.

## Literature

The literature specifically on recent British aid policy and the extent to which it is poverty focussed is not vast. At the time when this thesis was begun, in January 1988, there was little comprehensive academic analysis of this subject. Most of what had been written was in the form of single chapters, articles, reports and booklets, many of them written by pressure groups rather than academics. It was therefore felt that a considerable gap existed, and it is hoped that this thesis will go some way towards filling it.

In terms of the pre-Thatcher period, some general historical background to British aid can be gained from D J Morgan's five-volume *Official History of Colonial Development* (London, 1979), or his earlier and shorter *Colonial Development* (London, ODI 1964). The more recent historical background to the establishment of the Ministry of Overseas Development in 1964 is provided by Dudley Seers and Paul Streeten in "Overseas Development Policies Under the Labour Government." in Beckerman, W, (ed) *The Labour Government's Economic Record 1964-1970* (London, 1972). An idea of the motivations of the 1974-79 administration can be gained from the books on overseas development written by two of its ministers: Harold Wilson's *The War on World Poverty* (London, 1953) and Judith Hart's *Aid and Liberation* (London, 1973). The former is largely technocratic in character, while the latter contains a polemic against the anti-aid schools of both right and left, arguing strongly for the maintenance and reform of aid.

An interesting analysis of the institutional problems of implementing the "More Help for the Poorest" policy in Britain under the 1974-79 Labour Government was contained in Michael Lipton's book, *Why Poor People Stay Poor: Urban Bias in World Development* (London, 1977). This book is very much within the populist tradition (see chapter on philosophical issues). It provides an illuminating insight into the difficulties and pitfalls of implementing the "changing emphasis" in British aid policy at the time.

One of the best attempts to assess the achievements of the 1974-79 Labour Government has been made by Paul Mosley in his article: "Aid for the Poorest: Some Early Lessons in UK Experience", in the *Journal of Development Studies* (January 1981). This was followed by an Actionaid report: *Poverty-Focussed Aid: The Lessons of Experience* (London, 1987), also written by Paul Mosley. This was presented at a symposium, the proceedings of which were also published as *Actionaid Symposium on Poverty-Focussed Aid: Transcript of Proceedings* (London, 1987). The interesting feature of this latter document was the exchange which took place between the then Minister for Overseas Development, Chris Patten, and Paul Mosley as well as the discussion itself. The report contains a thoughtful analysis of the lessons of the poverty-focussed integrated rural development projects initiated under the 1974-79 Labour Government and the collapse of this approach under the Conservatives. Other assessments of the Labour period included Morris and Gwyer: "UK Experience with Identifying and Implementing Poverty-related Aid Projects" in *Development Policy Review* Vol 1 (1983), and Adrian Hewitt's "British Aid Policy and Practice" in *ODI Review* No 2 (1978).

The pre-1988 academic literature specifically on British official aid in the Thatcher period, despite being more abundant than the material on the 1974-79 Labour period, was still scanty and mostly in the form of short articles, reports often produced by academic/NGO-initiated pressure groups, as we have noted. The NGOs with charitable status are restricted from becoming too politically critical of government aid policy. It was for this reason that organisations like the World Development Movement (WDM) and the Independent Group on British Aid (IGBA) were set up to promote reform of official aid policy through lobbying and the

publication of critical reports. The NGOs were instrumental in founding these organisations with a non-charitable status so that they could be free to criticise government policy without restriction.

The reports produced by the IGBA, and often authored by leading development academics, have been a particularly useful source of information about British official aid policy – much of it highly critical. These reports were: *Real Aid: A Strategy for Britain* (London, 1982); *Aid is Not Enough: Britain and the World's Poor* (London, 1984); *Missed Opportunities: Britain and the Third World* (London, 1986); *Britain and Tanzania: The Search for Real Aid* (London, 1986); and *Real Aid What Europe Can Do* (London, nd – 1988?).

The first of these reports does say a little bit about the period of the Labour Government but, generally speaking, and understandably, it concentrates on the period since 1979. The policy criticisms which these reports expressed have been very much within a perspective of reforming rather than abolishing official aid. One of the members of the IGBA, Paul Mosley, presented this perspective in his book, *Overseas Aid: Its Defence and Reform* (London, 1987). Once again, the weakness of these IGBA reports is their insufficient integration of the critically important gender aspect of aid policy. The absence of any women members of the IGBA might possibly have had something to do with this omission.

The Labour Aid and Development Committee proposed a *Programme For Development* (London, 1986), which contained a critical analysis of current British aid policy and proposed some quite detailed policy reforms for a future Labour Government on a whole series of development issues other than aid. These included women and development, the environment, transnationals, energy, food aid, trade unions and development education.

A paper published by Oxfam in the late eighties, *The Oxfam White Paper* (Oxford, 1987) written by John Clark, was a further modest contribution which specifically addressed itself to criticising British official aid policy. It dealt with commercialisation of aid, structural adjustment, and women and development. It also made some brief proposals for reform. This was further developed in John Clark's book, *For Richer, For Poorer* (Oxford, 1987) which also contained some material on British aid.

An ActionAid report written by Mark Robinson, *Aid for the Poorest?: UK Aid to Bangladesh*. (London, 1988) was another example of the very small number of brief but useful published critiques of specifically UK aid policy. Its usefulness lay in the fact that it analysed a number of British official aid projects and attempted to assess the extent to which they were poverty-focussed.

A report of the Select Committee on Foreign Affairs: *Bilateral Aid: Country Programmes. Second Report of the Foreign Affairs Committee* (Session 1986-87, HCP 32) and the related *Minutes of Evidence* provided some interesting information: the evidence given by the IGBA was particularly illuminating in relation to the commercialisation of British aid under the Thatcher Government.

The best account of the British Overseas Development Administration (ODA) policy and record on women is a booklet written by Julia Mazza for War on Want: *The British Aid Programme and Development for Women* (London, 1987). This quite comprehensive critique of ODA gender policy led to considerable controversy and the adoption by the ODA of some of its proposals. As a result it is now somewhat out of date, since some of its criticisms have been taken on board. Many of the ODA policy documents and guidelines have been revised or replaced by new documents.

Since 1988, however, a number of works have appeared which have also filled in much of the gap in the literature on recent British official aid policy. In 1989 Teresa Hayter published a book largely, but not exclusively, devoted to British aid in relation

to the environment and poverty: *Exploited Earth: Britain's Aid and the Environment* (London, 1989). This is a comprehensive source of up-to-date information about British official aid projects. It is highly critical of these projects, but does come up with some very valuable and positive proposals for reforming aid despite the fact that the author is well known for her views about abandoning aid as it is presently constituted. Some of her proposals are integrated into the programme of alternative policies presented in the concluding chapter of this thesis. However, the book concentrates largely on the period of the Thatcher administration and does not deal with the period of the Labour Government (1974-79) in any depth.

Another recently-published book dealing with the period of the Thatcher administration is a collection of essays edited by Anuradha Bose and Peter Burnell: *Britain's Overseas Aid Since 1979: Between Idealism and Self-Interest* (London, 1991). This is another mine of extremely interesting information on British official aid, much of it critical in a positive way of the Thatcher Government aid policy, written by some of the most well known academics and NGO officers in the development lobby. Its comprehensive span includes aid policy and the environment, the relationship between NGOs and official institutions, an excellent contribution on the role of the business lobby in relation to aid and an essay on the aid lobby. This otherwise comprehensive span, however, does not include a contribution on the crucial issue of aid and gender.

The most recent book to be published on British official aid during the Thatcher years is Morrissey et al: *British Aid and International Trade: Aid Policy Making 1979-89* (London, 1993). This is another excellent contribution but, again, is confined to the Thatcher period and is limited in its span to the relationship between aid and trade.

In relation to the environment, the most detailed critique of projects on the ground in a particular country has been by made in a booklet by S Percy and M Hall: *British Aid to India: What Price?* (London, 1989) and an unpublished follow-up report, *British Aid to India: Turning Green?* (London, 1991) written by Percy, a freelance writer who has visited Karnataka in India on several occasions. The value of these contributions is that they are some of the very few independent first-hand accounts of the progress of a number of ODA projects in India.